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TODAY:
STAGE

Beijing Gains Wide Immunity In Hong Kong's Legal System

Legislature Clears New Law On Day Before Its Dissolution; 'Just the Beginning,' Foes Say

By Philip Segal
International Herald Tribune

HONG KONG — China's handpicked provisional legislature adopted a bill Tuesday that exempts some mainland Chinese agencies from Hong Kong law.

The law gives Beijing many of the legal exemptions that Britain enjoyed under colonial rule and opens the door to wider immunity for Chinese officials and their allies in Hong Kong.

The Hong Kong Bar Association and opposition politicians have been stunned by the law's scope and the speed at which it was introduced. The action came one day before the unelected, temporary legislature will be dissolved.

The law is seen as potentially the biggest departure from the past for Hong Kong since China scrapped the previous legislature when it took over in July. The rule of law in Hong Kong has meant a dependable court system and hard line on corruption — both key to its success as an international financial center.

"This is only just the beginning," said Albert Ho of the Democratic Party during a protest outside the legislature, reflecting fears that more and more people will be put above the law.

A sign held by a protester read: "Shame! Shame! Shame! Rubber Stamp."

In an attempt to defer action on the bill until after elections in May, the Human Rights Monitor group met Tuesday with Justice Department officials. But the officials maintained that the change was purely technical and reflected Hong Kong's new status from July 1 as part of China.

The government has pointed out that the British Crown was exempt from certain laws and that the new law simply replaced the word "crown" with the word "state."

The Hong Kong Bar Association said that the

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Prime Minister Tony Blair leaving No. 10 Downing Street on Tuesday to fly to Northern Ireland.

Japan Bribery Scandal Heats Up Inquiry Implicates More Than 100 Central Bank Aides

By Sandra Sugawara
Washington Post Service

TOKYO — The bribery scandal that has rocked Japan's financial world widened Tuesday when the governor of the Bank of Japan, Masaru Hayami, told Parliament that an internal investigation had uncovered more central bank officials suspected of leaking inside information.

Mr. Hayami told the Finance Committee of the lower house of Parliament that more than 100 central bank officials may be reprimanded for accepting improper levels of dining and entertainment from the private sector. In a few cases, the individuals were also found to have disclosed inside information, he said.

Those individuals worked for Yasuyuki Yoshizawa, a former central bank official who was indicted on charges of accepting bribes in return for disclosing confidential central bank data. Mr. Hayami said the inquiry's results would be announced by next week.

The revelations were the latest in a sweeping in-

vestigation by Japanese prosecutors into the relationship of top banks and brokerage firms to Finance Ministry and Bank of Japan officials. Prosecutors have charged that the abundant and costly wining and dining of bureaucrats by executives was often a ploy to get preferential treatment and inside information.

The investigations have led to the arrest of four Finance Ministry officials, as well as Mr. Yoshizawa. Many of the nation's best known banks and securities companies have been linked to the scandal.

Earlier Tuesday, nine of Japan's most powerful bankers were summoned before the Finance Committee to explain their banks' roles in the bribery scandal and in a credit crunch that is allegedly hurting small companies. One by one, the heads of Bank of Tokyo-Mitsubishi, Industrial Bank of Japan, Fuji Bank, Sakura Bank and other banks came forward, apologized, and then bowed, as they testified at the unusual gathering.

"I deeply apologize for causing disturbance to

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Blair Flies to Ulster As Talks Hit a Snag

Unionists Assail Mitchell Plan As More Favorable to Catholics

By James F. Clarity
New York Times Service

BELFAST — Prime Minister Tony Blair of Britain flew to Northern Ireland on Tuesday in an urgent effort to remove a serious snag in the peace negotiations between Protestant and Roman Catholic political leaders in this predominantly Protestant British province.

"I feel the hand of history upon our shoulders," Mr. Blair said on arriving at Hillsborough, a government residence south of Belfast for a meeting with David Trimble, the Protestant unionist leader who produced the new snag on Tuesday morning.

"It's right to try," Mr. Blair said, "and I'm here to try."

The deadline for a settlement designed to end 800 years of sectarian violence in Ireland has been set for midnight Thursday. The collapse of the talks would most likely lead to a renewal of the violence that has killed more than 3,200 people in the north since 1969.

Mr. Blair said it was important to reach agreement on two basic principles: that Northern Ireland should remain British as long as a majority of its people wanted that, and that there should be recognition of the Irish nationalist identity and fair and equal treatment for Roman Catholics and Protestants.

The prime minister arrived hours after the latest, and most serious, obstacle to agreement was advanced by Mr. Trimble, the leader of the Protestant Ulster Unionist Party.

Mr. Trimble said that a set of proposals given to the negotiating parties early Tuesday morning by George Mitchell, the former American senator who is chairman of the talks, was unacceptable, that it was biased in favor of the two Catholic parties, the mainstream

Social Democratic Labour and Sinn Fein, the political wing of the outlawed Irish Republican Army.

Mr. Blair also sought to reassure Protestants, noting that British and Irish policy proposed for insertion in any new agreement is that there will be no united Ireland — the ultimate goal of the IRA — unless it is approved by a majority. The Northern Ireland majority is likely to remain Protestant well into the new century.

Mr. Trimble's rejection was widely seen as a melodramatic tactic to take the initiative in peace talks. But it could push the talks to the brink of a collapse. Such a collapse would probably turn the melodrama into the tragedy of widespread violence by the main Catholic and Protestant guerrilla groups, which are now observing cease-fires.

Once Mr. Trimble makes his own proposals in the next two days, the predictable reaction would be rejection by Sinn Fein and possibly the Social Democrats and a rush of last-ditch negotiations to get a compromise agreement by midnight Thursday. The Catholics would seek support from Prime Minister Bertie Ahern of Ireland, while Protestants look to Mr. Blair to argue for them.

Mr. Mitchell said Tuesday morning that the deadline would not be extended and that his job as chairman of the talks was virtually over after nearly two years.

The Catholics want an agreement that would increase their political power in a new elected lawmaking assembly that would be part of the drastic changes in Northern Ireland's political structure envisioned in Mr. Mitchell's proposals. They also want a new cross-border North-South Council, with ministers from the north and the Irish Republic, that would be authorized to make binding decisions in northern affairs. Now,

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U.S. Bank Merger: A Big Bet on Asia

Risky Bid by Citigroup to Become a Regional Financial Supermarket

By Mark Landler
New York Times Service

HONG KONG — John Reed first realized his vision of Citibank as a financial supermarket for the emerging middle class in Asia during the 1980s, when the bank opened hundreds of branches, granted thousands of mortgages, and sold millions of credit cards from Taiwan to Thailand.

Now, by announcing plans to merge Citibank with Travelers Group, Mr. Reed, the Citibank chairman, is betting that Asia's middle-class consumers are ready to buy an even broader array of services from a single company.

is a bold bet — made all the more

risky because the economic crisis here has sapped the finances of the very customers this vast new company is trying to reach. Selling mutual funds and credit cards is no easy task at a time

Citigroup deal puts pressure on U.S. to change banking laws. Page 11.

when household incomes are falling in almost every Asian country.

"The challenge for the group is whether they can sell Travelers services to Citibank's mid-market customers," said Philip Niemi, a banking analyst at HSBC Securities in Hong Kong.

Whatever the immediate prospects

for Asia, Mr. Niemi and other analysts predicted that the merger would have a greater impact on the regional financial industry than any other bank merger, including the 1995 combination of Mitsubishi Bank and the Bank of Tokyo.

"This is the model that Asian and European banks will have to adopt if they want to compete," said David K. P. Li, chairman Bank of East Asia, a Hong Kong-based bank with a major presence in China.

Mr. Li predicted that the deal would force governments in Japan and Korea to relax restrictions on financial institutions — allowing them to offer commercial

See DEAL, Page 6

Bull Market Bypasses Many Americans

By Clay Chandler
Washington Post Service

WASHINGTON — The millions of U.S. investors who climbed aboard the Starship Dow before its takeoff in the 1990s have watched their net worth soar. But many more have missed the ride.

While Americans are piling into the market in record numbers, the most recent data suggest that six of every 10 households still do not own stocks — and thus have reaped no direct benefit from the current boom in share prices.

That troubles many analysts, who warn that the bull market on Wall Street is aggravating other disturbing economic trends and pushing disparities in wealth and income to proportions not seen since the Gilded Age.

One of the many standing on the sidelines is Mike Marcus, 45, a painter from Summit Point, West Virginia. "Pfft. Don't care," he shrugged, when asked his views about the Dow Jones industrial average's giddy climb to the 9,000 level. "You've got to have money to get into it. If you live paycheck to paycheck, it's kind of hard to do that."

Mr. Marcus's attitude is typical. According to the Federal Reserve Board's

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.8373	1.8406
Pound	1.8674	1.8683
Yen	139.48	134.705
FF	6.162	6.175

The Dow		
	Tuesday close	previous close
	-76.73	8856.50
		9033.23

S&P 500		
	Tuesday @ 4 P.M.	previous close
change	-11.85	1109.54
		1121.39

Survey of Consumer Finances, which many economists consider the most authoritative source of information about household investment patterns, 41 percent of all American families owned stock in 1995, the most recent year for which data were available.

That is an increase from 37 percent in 1992 and 32 percent in 1989. But the

Fed survey — which considered stocks held directly and through mutual funds, retirement accounts and other types of trusts but not stocks held indirectly through defined-benefit pension funds sponsored by employers — found wide disparities in stock ownership by income group.

For example, 84 percent of households earning more than \$100,000 a year held stocks, according to the survey, with a median value of \$91,000 for their holdings. By contrast, only about 48 percent of households making between \$25,000 and \$50,000 a year held stocks — and the median value of their holdings was \$8,000.

"The market's rise may be increasing assets of some middle-income families, but the overall effect has got to be widening the already large gaps in wealth and income," said Robert Greenstein, executive director of the Center on Budget and Policy Priorities. "Sure, the average middle-class guy with a few shares in a

See MARKET, Page 6



A jobless demonstrator in Berlin on Tuesday carrying a punning poster that translates as "Kohl go away, send cash."

Unemployment Declines, but Few Germans Applaud

Compiled by Our Staff From Dispatches

BERLIN — Chanting "Kohl must go," about 1,000 jobless protesters rallied outside government offices Tuesday in the third consecutive monthly demonstration timed to the announcement of unemployment data.

The number of jobless workers in Germany fell to 4.62 million in February, with 200,000 fewer people out of work than the previous month, the Federal Labor Office said.

But the 12.1 unemployment rate for March — down from 12.6 percent in February — was still a record high for the month.

Chancellor Helmut Kohl's government agreed that joblessness remained "unacceptably high," especially in the former East Germany.

Yet, the government said an improving picture in Western Germany indicated "that the trend reversal has slowly set in there."

The powerful IG Metall metalworkers union dismissed even the government's cautious optimism as an election tactic. A union spokesman, Joachim Toepel, said that a similar drop in numbers last year was followed by an increase to almost 5 million unemployed.

Unemployment has become a key campaign issue in national elections Sept. 27, in which Mr. Kohl is

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AGENDA

Mahathir Defends Politician's Jail Term

Prime Minister Mahathir bin Mohamad of Malaysia defended an 18-month prison term given to an opposition member of Parliament after the punishment was criticized by Amnesty International.

He said justice should be meted out fairly to opposition members as well as government politicians. Page 4.

Black and Alienated in South Africa

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The IHT on-line..... www.ihl.com

War Criminal Freed From Italy Detention

ROME (AP) — A former Nazi officer convicted in a wartime massacre can leave house arrest, a military court ruled Tuesday. Former Major Karl Hass, 86, was sentenced March 7 to life in prison for the reprisal killings of 335 Italians by German soldiers in 1944. He was allowed to serve the sentence at a nursing home.

All Work and No Play: Should Schools Really Skip Recess?

By Dirk Johnson
New York Times Service

ATLANTA — Sitting in a kindergarten classroom filled with story books, colorful drawings and dazzling computers, Toya Gray was daydreaming about playing outside in the sunshine.

"I'd like to sit on the grass," she confided in a whisper of angelic conspiracy, "and look for ladybugs."

But there is no time for such lollygagging. The Atlanta public schools, like many districts across the United States, have eliminated recess in elementary schools as a waste of time that would be better spent on academics.

Precise numbers are difficult to come by, but most experts on child's play believe the trend has accelerated in recent years.

Atlanta is one of the few big school districts to implement a no-recess policy. In general, schools are left to decide for themselves, and elementary schools without recess can be found from Chicago to Fairfax County, Virginia. Some districts have turned to a "socialized recess," where children are required to take part in structured, monitored activities.

The decline of recess has provoked alarm, even indignation, among most authorities on child development. They insist that free time and unstructured play are vital for intellectual and emotional growth, as well as skills of negotiating and

cooperating. "Unstructured play gives the child an opportunity to exercise a sense of wonder," said Ann O'Bar, president of the American Association on the Child's Right to Play, an organization that promotes the notion of play as an essential right of childhood, a movement that is strong in Scandinavian countries.

"As a society, we've got away from letting our children adventure," Ms. O'Bar said. "There's nothing wrong with letting children be bored. Boredom leads to exploration, which leads to creativity." Adults who dismiss the importance of child's play, Ms. O'Bar said, are missing the point. "What they are playing at," she said, "is the game of life."

But educators cite a panoply of reasons, besides academic pressures, to explain why recess is going the way of inkwells in so many schools: a fear of lawsuits if children become injured, a concern about the possibility of unsavory adults lurking at the edges of playgrounds, and a shortage of teachers and volunteers willing to supervise the children.

"We are intent on improving academic performance," said Benjamin Canada, the superintendent of schools in Atlanta. "You don't do that by having kids hanging on the monkey bars."

Recess has become so anachronistic in Atlanta

See RECESS, Page 6

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.800 CFA	Qatar	10.00 QR
Egypt	SE 5.50	Réunion	12.50 FF
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American Blacks Find a Chill in South Africa



1440 Sat. The New York Times

Many black Americans do have positive experiences. And in many cases, their color is seen as

When the tape had finished, a clearly agitated Ms. Mandela said she wanted to make it clear that it was not Americans who were responsible for the end of apartheid, but the children of Soweto who had died in countless demonstrations. The audience, made up largely of South Africans, cheered.

U.S. Warns Big Airlines On Predatory Pricing

Another problem is that it is hard to determine when a big competitor is "dumping" a product — in this case, airline seats — on the market below

Walt Disney World, in Florida, will raise its theme park ticket prices by more than \$2 this month when it opens **Animal Kingdom**, its largest theme park. The cost of a one-day pass rises to \$44.52 including tax, or \$2.38 more than the current price. (AP)

Tammy Wynette, Country Star, 55, Dies

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married George Jones, the country singer who had been her idol. The recording brought her a second Grammy as well as recognition from

has "made it on their own with no one to take them to a White House." She later performed at a Clinton fund-raiser.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Legend: Jettison Unseasonably Cold Unseasonably Mild Heavy Rain Heavy Snow

North America

Rain will soak the Northeast and Middle Atlantic Thursday into Friday. Drying out, but windy and chilly Saturday. Dry and cool in the Plains Thursday, but much warmer for the first part of the weekend. Dry and becoming much warmer in the Southeast Thursday through Saturday.

Europe

Unseasonably cold across the United Kingdom Thursday through Saturday with a few showers of rain and even wet snow. Rain will fall over Spain, but it will be sunny and warm across Italy and Greece. Unusual warmth will spread northward into the Ukraine and southern Russia.

Asia

Partly sunny and warm Beijing Thursday, but rain is likely Friday followed by cooler weather Saturday. Dry and seasonably warm Seoul and Tokyo Thursday, sunny and warm Friday; rain possible Saturday. Very warm and humid in Hong Kong with some sunshine, but a shower possible each day.

Legend: sunny, partly cloudy, showers, thundersnows, rain, snow flurries, snow, Hc, W-Weather.

AccuWeather, forecasts and data provided by AccuWeather, Inc. 01996 - <http://www.accuweather.com>

One of the few predictable

ASB	Today		High		Low	
	CIF	CF	CIF	CF	CIF	CF
Aljmany	31.88	29.75	31.88	29.75	31.88	29.75
Bangkok	30.98	29.75	30.98	29.75	30.98	29.75
Batavia	30.98	29.75	30.98	29.75	30.98	29.75
Bombay	30.98	29.75	30.98	29.75	30.98	29.75
Calcutta	30.98	29.75	30.98	29.75	30.98	29.75
Chung Mu	31.88	29.75	31.88	29.75	31.88	29.75
Colombo	31.88	29.75	31.88	29.75	31.88	29.75
Guam	31.88	29.75	31.88	29.75	31.88	29.75
Guo He Hsu	31.88	29.75	31.88	29.75	31.88	29.75
Hankow	31.88	29.75	31.88	29.75	31.88	29.75
Indanaburu	31.88	29.75	31.88	29.75	31.88	29.75
Jakarta	31.88	29.75	31.88	29.75	31.88	29.75
Kobe	31.88	29.75	31.88	29.75	31.88	29.75
K. Lumpur	31.88	29.75	31.88	29.75	31.88	29.75
London	31.88	29.75	31.88	29.75	31.88	29.75
Manila	31.88	29.75	31.88	29.75	31.88	29.75
New Delhi	31.88	29.75	31.88	29.75	31.88	29.75
Osaka	31.88	29.75	31.88	29.75	31.88	29.75
Phuket	31.88	29.75	31.88	29.75	31.88	29.75
Rangoon	31.88	29.75	31.88	29.75	31.88	29.75
Sao Paulo	31.88	29.75	31.88	29.75	31.88	29.75
Shanghai	31.88	29.75	31.88	29.75	31.88	29.75
Singapore	31.88	29.75	31.88	29.75	31.88	29.75
Taipei	31.88	29.75	31.88	29.75	31.88	29.75
Tientsin	31.88	29.75	31.88	29.75	31.88	29.75
Yokohama	31.88	29.75	31.88	29.75	31.88	29.75

North America	
Anchorage	45.88 - 91.18
Atlanta	45.88 - 91.18
Boston	11.82 - 94.31
Chicago	14.87 - 92.09
Denver	10.88 - 92.09
Des Moines	10.88 - 92.09
Detroit	10.88 - 92.09
Houston	10.88 - 92.09
Los Angeles	10.88 - 92.09
Memphis	10.88 - 92.09
Minneapolis	10.88 - 92.09
Miami	10.88 - 92.09
Mobile	10.88 - 92.09
New York	10.88 - 92.09
Philadelphia	10.88 - 92.09
Pittsburgh	10.88 - 92.09
Portland	10.88 - 92.09
San Francisco	10.88 - 92.09
Seattle	10.88 - 92.09
St. Louis	10.88 - 92.09
Tampa	10.88 - 92.09
Washington	10.88 - 92.09
Wichita	10.88 - 92.09

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THE AMERICAS

Clinton Seeks Better Start in Africa, and France Understands Why

Fresh from accompanying President Bill Clinton on his trip to Africa, J. Brian Atwood, head of the U.S. Agency for International Development, held talks with international and French government officials in Paris. He also spoke with IHT editors and reporters, and following are excerpts of his remarks about U.S. assistance to African countries.

Q & A / J. Brian Atwood, U.S. Development Agency

Q. Why is Washington putting such emphasis on Africa now?

A. The Clinton administration has had to deal with a lot of crises in Africa, starting with the unhappy chapter in Somalia. That had repercussions across American foreign policy, against hopes for nation-building and similar approaches to stability. Now there seems to be an opportunity for a better start.

We're hearing new messages from some new leaders. They want to take charge of their own security to a large extent. They encourage regional integration. Their economies have achieved levels of growth that are attracting

exports and imports. It offers hope for dealing with episodic crises and for development leading eventually to investment and a larger place for Africa in the global trading system.

Q. Is that a version of the call for replacing aid with trade?

A. It always annoys me to hear that misrepresentation. It's never been accurate because, frankly, even though some countries such as Uganda and Ghana are good prospects for investment, most African countries' capacity to trade is still so low that it's very difficult to offer them, through trade alone, the incentives they need for economic reform. One needs obviously to develop the economies so that they can take advantage of their own potential, so we're talking about aid for trade.

The president wanted to spotlight this potential, especially for U.S. audiences, as he

pledged to increase U.S. aid to Africa to a historic high. At the very end of his trip, the president visited with some U.S. staff, very emotionally, and he said "This has been the most moving experience in my life." So he is going to follow through.

Q. Does increased U.S. attention to Africa reassure or worry other countries with traditional ties there — for example, France?

A. French officials welcome the U.S. attention, but there are other voices. My counterpart in the previous government said that it is a zero-sum game, that any U.S. initiative is a loss for French influence. Some French commentators portray the president's trip as commercial imperialism. In fact, if there is economic growth in Africa, everyone is going to benefit. Traditional business relationships will probably be reinforced and market shares won't change much.

Q. So suspicion is a minority view in France?

A. Certainly it's not the view of the present French government. I think that the timing of the president's trip coincides with some rethinking in France. The French are not going to have the same military presence as in the past so some of the cooperative efforts we're engaged in, such as training Africans to provide for their own security, are much more interesting in Paris today.

The French see the African leaders' desire to be less aid-dependent, and they know that Africans, while they may want to maintain their French ties, also need to develop ties to neighboring countries, who may be English- or Portuguese-speaking. I sense a more sincere feeling in Paris that if these countries are going to become more democratic, we have an obligation to help them. All these points create a consensus between the United States and France that never existed before.

Q. How about the Congo, ex-Zaire? Is your

agency working there despite human rights problems?

A. We can't work with the government because of a debt issue left over from the Mobutu regime, but we're working with some local agencies.

It's a tremendously important country. It has enough potential hydroelectric power to supply the whole south of the continent. So we have to be aware of the pitfalls but look for opportunities.

Under Mobutu, despite the fact that billions in dollars of U.S. and other foreign aid went into the country, the per capita income fell from about \$1,000 to well under \$200.

It demonstrates something that people in my agency are focusing on: We often used to turn a blind eye to abuses in recipient countries because during the Cold War we thought we had to. It gave foreign aid a bad name.

Clearly, we cannot continue investing in countries that aren't good development partners.

There's More on Starr's Plate Than Pursuit of the President

Private Work for Muffler Dealer Competes For His Time

By Ruth Marcus
Washington Post Service

WASHINGTON — The independent counsel, Kenneth Starr, is rethinking plans to make a complicated and time-consuming appeals court argument for a private law client in May, the same month he will be trying to finish his report to Congress on the investigation of President Bill Clinton.

"No final decision has yet been reached about whether Ken will argue the matter," said his partner, Jay Lefkowitz. "It's a very important matter, and it's something I know he is discussing with his client."

Mr. Starr had been planning to appear before the 4th U.S. Circuit Court of Appeals, in Richmond, Virginia, on May 5 in an intricate dispute between the Meineke Discount Muffler Shops and its franchisees, who argue that the muffler company defrauded them of millions of dollars that were supposed to go for advertising. Mr. Starr is representing Meineke and asking the appeals court to overturn a nearly \$400 million judgment against it.

But the argument comes just as Mr. Starr and his staff in the independent counsel's office are fighting the clock to prepare a report for Congress on their investigation of Mr. Clinton in the Monica Lewinsky matter. Sources close to the investigation said Mr. Starr's goal was to complete that report by the end of May.

Until this week, Mr. Starr seemed intent on doing the argument. Charles Cooper, the lawyer for the franchise owners' opposing Meineke and a longtime friend of Mr. Starr's from their days in the Reagan Justice Department, said he would devote about 100 hours to preparing for the argument. He said he had spoken with Mr. Starr in the last week and that "Ken made clear to me that he intended to argue the case."

Mr. Starr's private legal work — he has continued to maintain his law practice at the firm of Kirkland & Ellis and has earned more than \$1 million annually — is permitted by the independent counsel statute. But the extent of his practice and the nature of his clients have been subjects of controversy throughout Mr.

Starr's three and a half year tenure as a special prosecutor, and the White House has seized on the Meineke case as the latest opening to attack Mr. Starr.

Two senior White House aides, Rahm Emanuel and Paul Begala, raised the issue on the Sunday talk shows, arguing that Mr. Starr had no standing to accuse the White House of trying to delay matters when he has been occupied with outside legal work. "I understand that he thinks he's unaccountable and that the taxpayers are able to pay him full time for part-time performance, but the fact of the matter is Ken Starr took three years to conclude Vince Foster committed suicide and he's saying everyone else is slow-walking — that's chutzpah," Mr. Emanuel said. Mr. Foster was a deputy counsel at the White House in Mr. Clinton's first term.

Mr. Starr's defenders pointed out that he has given up arguing several important cases for his law firm, including one before the Supreme Court, because of his independent counsel duties. And they say that Mr. Starr manages to juggle those dual roles in part because, as an appellate litigator, he can prepare for those cases on airplane rides or in hotel rooms.

In addition, they said, Mr. Starr works prodigious hours. "He probably works an average 14 to 16 hours a day," said a deputy independent counsel, Jackie Bennett. Since the allegations involving Ms. Lewinsky arose, Ms. Bennett said, "he's been in the office virtually every single day — and that includes weekends."

Some independent observers questioned whether it would be appropriate for Mr. Starr to argue the Meineke case while he is also occupied with a matter that could determine the future course of Mr. Clinton's presidency.

"He's fully permitted to do it, and I think it's a really bad idea, particularly at this stage," said John Barrett, a St. John's University law professor John Barrett and former prosecutor for the Iran-contra independent counsel, Lawrence Walsh. "It creates an issue for people who want to criticize him. It creates an appearance of less than vigorous pursuit."

Mideast Point, Counterpoint

U.S. Approach Splits Congress and Jewish Groups

By Steven Erlanger
New York Times Service

WASHINGTON — A battle of competing letters on the Middle East has broken out in Congress, reflecting tensions among American Jewish groups about the Clinton administration's attempt to revive a peace effort in trouble.

Letters urging President Bill Clinton not to confront Israel publicly with a U.S. proposal to break the deadlock were signed by 81 of the 100 senators and about 150 of the 435 representatives in Congress.

Those letters prompted two counter-letters, both of which praised Mr. Clinton and called on him to continue the difficult work of peacemaking.

What might seem to be relatively banal communications have taken on resonance because the first letters became an important project of the American Israel Public Affairs Committee, one of the most powerful lobbies in Washington, and have angered some administration officials and legislators.

When the committee tried to get an endorsement of the letters from the Conference of Presidents of Major Jewish Organizations in a tense meet-

ing Thursday, the lobby was criticized by more liberal and dovish Jews, who are less supportive of Prime Minister Benjamin Netanyahu of Israel.

They accused the American Israel Public Affairs Committee of creating a sense of crisis and of not consulting adequately with other Jewish organizations, a charge that committee officials reject.

The American Israel Public Affairs Committee officials said Mr. Clinton was being pushed hard to go public with the American proposal, which they said would unnecessarily strain relations with Israel and change the American role.

The executive director of the committee, Howard Kohr, said: "The issue of U.S. pressure is far from imaginary. People are pushing the president to go off course to a dead end. Our goal is to support him in the sound path he has been on."

Officials say Mr. Clinton is expected to send his special envoy, Dennis Ross, back to the region after Passover, which begins on Friday at sundown and lasts eight days.

The original Senate letter was sponsored by Senator Joseph Lieberman, Democrat of Connecticut, and Connie

Mack, Republican of Florida. In response, Senator Carl Levin, Democrat of Michigan, wrote a letter to Secretary of State Madeleine Albright, praising her efforts and urging her to continue them in private and without public pressure.

Mr. Levin's letter was also signed by Senator Thomas Daschle of South Dakota, the minority leader, and Senator Joseph Biden, Democrat of Delaware, who had refused to sign the first letter.

Mrs. Albright responded by promising that negotiations would continue in private.

Representative Samuel Gejdenson, Democrat of Connecticut, wrote his own letter praising Mr. Clinton's efforts. That letter, signed by 31 representatives, including 15 of the House's 24 Jewish members, was sent to the president Monday.

"This is a very difficult situation," Mr. Gejdenson said. "The administration and the president in particular have been spectacular in their efforts, and I don't want them to feel unappreciated. But given Jewish history, there are people who are bound to be nervous in periods of transition."



SHOPPING FOR VOTES — Ralph Waite, right, a television actor, campaigning in Palm Springs, California, for the congressional seat held by the late Sonny Bono, whose widow, Mary, is running against Mr. Waite, a Democrat.

Communion Confusion

WASHINGTON — President Bill Clinton took Holy Communion during a Mass in South Africa during his 12-day trip to Africa in late March at the invitation of the local priest, White House officials said in response to criticism that giving Communion to Mr. Clinton, a Baptist, violated Roman Catholic doctrine.

Barry Toiv, a White House spokesman, said the priest, Father Mphahlele Makobane, told White House staff members before Mr. Clinton's visit to his Soweto church that "this was the policy of the South African Conference of Bishops, that communion was open to non-Catholics."

No such lenient policy exists, the Southern African bishops declared last week. In January, however, the bishops did issue rules that allow non-Catholics to receive communion in certain special circumstances, and the Vatican has requested clarification of that policy.

Explaining that he was trying to address confusion among Catholics caused by the news of the incident, Cardinal John O'Connor, the archbishop of New York, said in a sermon last Sunday: "Some undoubtedly believe that if one has enough prestige or money, anything goes." The church, he said, should not contribute to such perceptions.

Cardinal O'Connor prefaced his remarks by saying that they had "nothing what-

soever to do with the person of the president or his wife or any of the allegations concerning any alleged behavior." (NYT)

Ferraro Forges Ahead

NEW YORK — Geraldine Ferraro has announced that she has raised \$1.35 million for her U.S. Senate campaign in the nearly three months since she bounded into the race late, proclaiming that her success at reeling in contributions demonstrated the vigor of her candidacy.

But Ms. Ferraro, a Democrat, has still collected less than the three other contenders for Senate, including the Republican incumbent, Alfonse D'Amato, and she lags behind the fund-raising pace that she set in her failed 1992 Senate campaign. The other Democrats are Mark Green, the New York City public advocate, and Representative Charles Schumer. (NYT)

Quote/Unquote

The House majority leader, Dick Armey, on President Bill Clinton: "I believe he's a shameless person. 'If it were me that had documented personal conduct along the lines of the president's, I would be so filled with shame that I would resign. This president won't do that. His basic credo in life is, 'I will do whatever I can get away with.'" (AP)

Away From Politics

• The majority of the 997 people discharged from the military last year because of their sexual orientation declared their homosexuality in order to leave the armed forces early, according to a Pentagon study to be released this week. (WP)

• In a move aimed at ridding housing complexes in the District of Columbia of pit bulls, officials will begin evicting pets from 55 public housing communities. The campaign will enforce a "no pet" clause in tenants' rental agreements. (AP)

• Fearing that Terry Nichols, who was convicted of conspiracy in the worst terrorist attack on U.S. soil, may sell his story for profit, victims of the Oklahoma City bombing and the federal government have sued him for more than \$14 million. (AP)

Latest Vitamin Advice For Would-Be Mothers

The Associated Press

WASHINGTON — Any woman who might become pregnant should either eat specially fortified foods or take a vitamin supplement of folic acid every day to protect against birth defects, a panel of experts said Tuesday.

Also, everyone over age 50 should eat a bowl of fortified cereal every day or take a supplement of Vitamin B-12, a nutrient important for making blood cells but one that declines with age, the report by the private Institute of Medicine said.

But the review of complex B vitamins — including folic acid, B-12, B-6, thiamin, riboflavin and niacin — cautions against taking huge doses.

The panel said there was not sufficient evidence that large doses could reduce the risk of heart disease and cancer.

Priest Who Led Rebels In Colombia Is Dead

Reuters

BOGOTA — Manuel Perez, 54, a Spanish-born Roman Catholic priest who became the legendary leader of Colombia's second-largest rebel group, has died, the group said.

Father Perez died of chronic hepatitis in the northeastern department of Santander in February, according to a communiqué transmitted Monday on the National Liberation Army's clandestine Radio Patria Libre and later broadcast on commercial radio stations.

"Our beloved and unforgettable commander in chief Manuel Perez died on Feb. 14," said Nicolas Rodriguez, the group's military strategist. Mr. Rodriguez gave the cause of death as hepatitis B.

Mr. Rodriguez, who will now take over as the rebels' supreme commander, said Father Perez had been buried in the mountains of northeast Colombia close to the spot where 18 men, inspired by the Cuban Revolution, took up arms against the state in 1964, calling themselves the National Liberation Army, or ELN.

His death came in the same month the rebel movement and government representatives signed a secret deal in Madrid to hold tentative peace talks in Colombia this year. The rebels pulled out of the deal last week, accusing the government of "political opportunism," after details of the pact were leaked to the press.

Father Perez, originally from the Aragon region in Spain, came to Colombia in 1968 to work as a priest in impoverished communities and joined the rebel group in 1969 to put his Christian-Marxist ideals into practice. He became the group's leader in the late 1970s.

"For us peace and love are the basic values by which a society should live," Father Perez said in one of his last interviews. "But events have forced us to take part in a war of liberation."

The group was virtually decimated in an army attack in northwest Colombia in 1973. But under Father Perez's leadership it grew from a force of 60 fighters to a 5,000-member army.

Though much smaller than the Revolutionary Armed Forces of Colombia, the National Liberation Army has shown a devastating capacity for sabotage, specializing in attacks on the country's oil infrastructure and in kidnapping employees of foreign multinationals.

A statement issued Monday by the presidential palace called for all sides in Colombia's civil conflict to take part in a fresh drive for peace.

"The death of 'The Priest' Manuel Perez, the palace said, "closes a chapter in the history of Colombia's armed conflict."

Thursday

TRIBTECH

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ASIA/PACIFIC

Mahathir Calls Jail Justified For Politician

KUALA LUMPUR — The prime minister Tuesday defended an 18-month prison term given to an opposition member of Parliament after the punishment was criticized by an international human-rights group.

"When you make a baseless allegation, the law must take its course," Prime Minister Mahathir bin Mohamad said at a political meeting.

He said justice should be meted out fairly to opposition members as well as government politicians.

Last week, the Court of Appeals sentenced Lim Guan Eng, deputy secretary-general of the Democratic Action Party and a member of Parliament for 12 years, to an 18-month prison term for publishing a pamphlet in 1995.

Mr. Lim had questioned the government's decision not to press statutory-rape charges against a former state minister in Malacca. He also asked why the schoolgirl in the case was detained after the scandal broke but the minister was not.

Amnesty International has argued that Mr. Lim's case was politically motivated. It also said the court's decision eroded freedom of speech in Malaysia.

But Mr. Mahathir was quoted as saying that these allegations were unfair and aimed at branding Asian governments as undemocratic.

Mr. Mahathir said Malaysian courts often imposed stiffer penalties on government politicians to demonstrate that the legal system was unbiased.

"It has occurred that when an opposition member is found guilty, the sentence is lenient," Mr. Mahathir was quoted as saying in the Tuesday edition of The Sun newspaper.

"On the other hand, if it is against a member of the government, as if to prove the freedom of the judiciary, a heavy sentence is imposed," he said.



Heads of leading banks attending a parliamentary hearing Tuesday on Japan's credit crunch. They said Tokyo's recent injection of \$15 billion into the financial system would allow them to make loans.

JAPAN: Central Bank Scandal Heats Up

Continued from Page 1

society," said Yoshifumi Nishikawa, president of Sumitomo Bank, which has been accused of entertaining a Finance Ministry official to learn the timing of bank inspections. "Because it has been a custom for a long time, entertainment continued without much reflection."

Others said they were "sorry to cause a disturbance" and said they took the scandals "very solemnly." The bankers also called the credit crunch "regretful," adding that they would do their best to increase lending to small companies.

The bankers stuck to a traditional script of vague words of apology and humble bows. But while such a performance may have won forgiveness in the past, it appeared to do little to win over a public exasperated by a falling economy, weak banks and the bribery scandals.

Committee members booed the bankers' responses, according to the news media. Evening newspapers promptly criticized the bankers' responses as insincere and inadequate. The Mainichi newspaper complained that all the bankers said the identical things, even repeating the same phrases. The Yomiuri newspaper charged that the banks have, so far, failed to deal decisively with the bribery scandals.

Meanwhile, debate heated up over the need for tax cuts to revive economic growth. Taku Yamazaki, policy chief of the governing Liberal Democratic Party, questioned how effective income tax cuts would be at stimulating the economy, although he said he was not flatly opposed to tax cuts.

Mr. Hayami told Parliament that he favored corporate tax cuts. And on Tuesday, Liberal Democrats in the upper house embraced income tax cuts.

Koji Omi, director-general of the Economic Planning Agency, told reporters that recent data show the Japanese economy is "stalling and in a severe situation." Analysts predict that the agency's monthly economic assessment, due Friday, will be pessimistic, increasing pressure on the government to act.

But Prime Minister Ryutaro Hashimoto denied that the economy was about

to collapse. "If you look at our overseas assets and foreign reserves, it is hard to say that Japan is on the brink of collapse," Mr. Hashimoto told Parliament. He assured legislators, however, that he would "seriously" consider what steps to take to bolster the economy.

Although Mr. Hashimoto did not give details, the Nikkei stock index rose 272.73 points, closing at 15,978.72, and the dollar fell in Tokyo to 134.20 yen, from 135.05, amid growing expectations of concrete action.

Buddhists Seek Way To Gain Adherents, But Feuds Abound

The Associated Press

KYOTO, Japan — In a rare meeting of Asian Buddhist leaders, the Dalai Lama and more than a dozen other holy men vowed Tuesday to bolster the sagging popularity of their religion.

The Buddhists from 15 Asian countries gathered in this ancient Japanese capital for the two-day conference, held to coincide with the celebration Wednesday of the Flower Festival, or the birthday of Buddha.

The meeting underscored an identity crisis facing the ancient religion, which in many countries is suffering from a poorly trained clergy and is losing its following to more aggressive Christian missionaries.

A long history of squabbling between Buddhism's many sects has also taken its toll on the religion's appeal — and that was apparent Tuesday.

None of Japan's main Buddhist sects were represented at the conference. A new Japanese sect, the Nembutsushu, was co-host of the meeting and refused to invite the major sects.

"I didn't even know the Dalai Lama was coming until the other day," said Junna Nakada, abbot of the Daigo-ji, one of Kyoto's major mainstream temples. "It is very disappointing that we were not invited to join."

There are an estimated 300 million Buddhists worldwide, but the number has been on the decline throughout much of Asia, which has traditionally been the religion's stronghold.

"The time has come to think of our inner development," said the Dalai Lama, the exiled Tibetan spiritual leader who is revered by followers as a living incarnation of Buddha.

In a statement ending the conference, the participants — including several supreme patriarchs, the highest priests in their countries — called for greater efforts to spread the word of Buddha.

"Buddhism is on the decline in South Korea, Malaysia, Taiwan," said the Malaysian high priest, K. Sri Darmmananda Maha Thera. "Every day we are losing our youth to Christianity."

Only about 1 percent of the population of India, the birthplace of Buddhism, is Buddhist. Political suppression has taken a severe toll on worship in such places as China and Southeast Asia.

The 2 Koreas Agree on Beijing as Site of Talks

Reuters

SEOUL — North and South Korea on Tuesday edged closer to holding their first bilateral talks since 1994 after Seoul said it would accept Beijing as the venue for talks.

"It has not been finalized but the talks will most likely be held on Saturday in Beijing," said Park Won Hwa, spokesman for the South Korean Foreign Ministry. He said Seoul would accept Pyongyang's request to set Beijing as the venue.

On Saturday, Pyongyang suggested that direct talks between the two Koreas be held April 11 in Beijing to

discuss fertilizer aid and other issues.

South Korea had responded that it would prefer that the talks be held on the Korean Peninsula, but the North reaffirmed Beijing as its preferred site.

On Saturday, Nae Woe Press in Seoul, which monitors the North Korean media, added to the speculation that the talks would be held when it reported that Kim Yong Sun, secretary of North Korea's Central Committee of the Workers' Party, had welcomed dialogue.

"The basic agreement between North and South must be carried out as soon as possible, and for that, talks

between North and South must be held soon," Mr. Kim was quoted as saying.

He added that South Korea "has said it will carry out interchange and cooperation based on a policy of separating business and politics."

"If that is truly for the unification of our nation," he said, "then we will face it with generosity and not be caught up in the format."

President Kim Dae Jung of South Korea has made it clear since the start of his term that inter-Korean relations would be expanded. He said business and political issues between the two Koreas would be kept separate.

BRIEFLY

Burmese Bar U.S. Official Over Decree by Clinton

BANGKOK — Burma's military government will not grant the U.S. representative to the United Nations permission to visit as long as its leaders are barred from entering America, a government spokesman said Tuesday.

The delegate, Bill Richardson, had hoped to visit Burma, as part of a South Asian tour beginning Saturday that includes Bangladesh, India, Pakistan and Sri Lanka.

"Mr. Richardson is not outrightly refused permission to visit Myanmar," said a government spokesman who spoke on condition of anonymity.

The UN ambassador could enter Burma, also

known as Myanmar, if the ban on the country's leaders entering America was "either waived or lifted," the spokesman said in a fax to The Associated Press.

It was believed that Mr. Richardson had changed his plans to visit Burma after learning of the country's unwillingness to grant a visa.

Mr. Richardson's staff was not available for comment.

In October 1996, President Bill Clinton issued an executive order barring members of the military government and their families from visiting the United States.

India Minister Arraigned

NEW DELHI — A minister in India's government, formed three weeks ago, was arraigned

Tuesday on corruption charges and amassing unexplained wealth, Indian news agencies said.

Surface Transport Minister R. Muthiah denied the charges and said he would not resign from Prime Minister Atal Bihari Vajpayee's cabinet.

But the case was an embarrassment to Mr. Vajpayee, who had campaigned against the chronic corruption that tainted the governments of his predecessors.

A court in the southern city of Madras charged Mr. Muthiah with making illegal gains during his 1991-94 term as the speaker of the state legislature in Tamil Nadu before his party lost power.

The court rejected Mr. Muthiah's petition to dismiss the case.

The minister had argued that anti-corruption laws for civil servants did not apply to him since the speaker of the assembly is not classified as a public servant. (AP)

Bomb in Pakistan Kills 5

KARACHI, Pakistan — A bomb ripped through a passenger bus parked at a gas station Tuesday, setting the vehicle afire, killing five people and injuring 20 others, the police and ambulance attendants said.

The bombing at Sukran, north of the Sind provincial capital, Karachi, took place hours after a bomb exploded in the town of Khairpur, also in Sind Province, killing one person and injuring 11.

There was no claim of responsibility for the bombings.

In recent months several bombs have exploded in Pakistan's southern Sind Province and in eastern Punjab Province, home to roughly 60 percent of Pakistan's 140 million people. (AP)

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EUROPE

Yeltsin Presses Legislators to Approve New Prime Minister

By Daniel Williams
Washington Post Service

MOSCOW — President Boris Yeltsin used a hard sell on Tuesday to try to persuade some of Russia's top political leaders to approve his youthful candidate for prime minister, but the representatives were in a rejectionist mood.

Mr. Yeltsin met with 20 leaders in a Kremlin palace and scolded and joked with them in hopes of gaining approval in a vote set for Friday. The president dismissed the previous government two weeks ago and named Energy Minister Sergei Kiriyenko as prime minister.

"We have spent two weeks without a government," Mr. Yeltsin said. "It is very serious, of course. If it continues, we will lose out even more."

Bureaucracy and legislative activity in Russia generally grind to a halt during lesser ministerial changes. Prolonged wrangling over approval of a new prime minister would delay pressing chores: Unpaid wages owed to state workers are piling up and key tax reform legislation is pending. The delays come at a time when the economy has slowed due to uncertainties over government finances and falling prices for oil exports.

Just how far Parliament will take its objections to Mr. Kiriyenko is unclear. If they reject him three times, Mr. Yeltsin can dismiss the legislature and call for new elections. Many commentators believe that the State Duma, the lower house of Parliament, does not want to risk a national vote.



Gennadi Zyuganov, Communist leader, left, the nationalist Vladimir Zhirinovskiy and Mayor Yuri Luzhkov of Moscow gathering with 17 other political chiefs at the Kremlin on Tuesday for talks with President Yeltsin.

The leader of the Communists, Gennadi Zyuganov, said that Mr. Kiriyenko was unacceptable and demanded that his party and other factions be invited to design a new economic policy before they would approve a prime minister.

Grigori Yavlinsky, who heads the liberal Yabloko bloc, said he was opposed to Mr. Kiriyenko and asked for cabinet positions for his party. Our Home Is Russia, the party of the ousted prime minister, Viktor Chomomiridze, demanded cabinet seats in return for votes supporting Mr. Kiriyenko.

France-U.S. Airline Pact Finally Ready, Paris Says

Accord to Replace One Canceled in 1992

Agence France-Press

PARIS — France and the United States agreed Tuesday on the terms of a new, five-year pact governing air transportation between the countries, a Foreign Ministry spokesman said.

The accord, which is to go into effect on June 2, will expand the number of flights that airlines of each country can make to the other.

It will provide for "gradual and balanced widening of the possibilities enjoyed by transporters" from the countries, but it is not an "open skies" agreement, said the spokesman, Yves Doutriaux. Mr. Doutriaux said that the accord will replace one that dated from 1946. France terminated that pact in 1992. Since then, the countries' air links have been governed by agreements renewed every six months.

A final agreement incorporating the terms of the memorandum will be concluded at the ministerial level in the next few weeks, Mr. Doutriaux said. The accord will replace one that dated from 1946. France terminated that pact in 1992. Since then, the countries' air links have been governed by agreements renewed every six months.

Mr. Kiriyenko and asked for cabinet positions for his party. Our Home Is Russia, the party of the ousted prime minister, Viktor Chomomiridze, demanded cabinet seats in return for votes supporting Mr. Kiriyenko.

ances between U.S. and French airlines in the absence of a long-term accord.

The arrangement is not an open skies deal, Mr. Doutriaux said, because it includes a five-year transition period and does not allow U.S. airlines to board passengers during stopovers in France.

The United States has concluded open sky agreements with eight European countries: Germany, Austria, Belgium, Denmark, Finland, Luxembourg, Netherlands and Sweden.

The European Commission, the EU executive, asked those countries last month to explain those accords, questioning the basis for them.

France will inform the commission about the agreement with the United States, even though the French government has questions about the commission's jurisdiction over air traffic.

Inquiry Urged on U.K. System

A panel of British legislators called for an inquiry into delays in opening a new air-traffic control center meant to ease congestion in the nation's skies, asserting that the delay could increase the risk of accidents. Bloomberg News reported from London.

A report by the all-party transport committee of the House of Commons criticized the Civil Aviation Authority over its monitoring of the project, which was supposed to have been completed in 1996. The legislators also said it was unclear whether the new system could handle growth in air traffic, forecast at about 5 percent each year.

Russia Ready to Build Iran Research Reactor

Washington Post Service

MOSCOW — The new leader of the nuclear ministry says Russia has proposed building a research reactor in Iran in addition to the atomic energy plant under construction there that has drawn protests from Israel and the United States.

The official, Yevgeni Adamov, who replaced Viktor Mikhailov as head of the large and influential ministry last month, said Monday that a contract for the research reactor was drafted in 1996 but still awaited approval by the Russian and Iranian governments.

Mr. Adamov provided few details, but said that the reactor would meet the requirements of the International Atomic Energy Agency.

Russia has rebuffed appeals from the United States and Israel to halt nuclear cooperation with Iran, including the ongoing construction of the plant at Bushehr.

Russia and Iran have denied that the station could provide Iran with know-how or materials to build nuclear weapons. Iran is far behind in its share of work on the plant, and Russia has said it will take over the entire project. Iran's delays have raised questions about whether additional reactors are feasible. In March, the United States persuaded Ukraine to drop work on a planned turbine for the Bushehr plant.

Mr. Adamov said that Russia should build the research reactor to head off U.S. competition if relations improve between Washington and Tehran.

"Should we wait for Americans to come in 15 years and build a research reactor?" he asked. "No. I will try to convince our government and our president that, after Bushehr, we have to do such a job, too."

UN Report Assails U.S. Death Penalty

By Elizabeth Olson
New York Times Service

GENEVA — The United States has been accused of unfair, arbitrary and racist use of the death penalty by a United Nations special investigator in a report at a meeting of the UN Commission on Human Rights.

Overriding U.S. objections, the commission voted last week for the second year in a row to call for a worldwide moratorium on executions.

The author of the UN report, Bacre Waly Ndiaye, a lawyer from Senegal, wrote that "race, ethnic origin and economic status appear to be key determinants of who will, and who will not, receive a sentence of death" in the United States. The report was presented to the commission last week.

Mr. Ndiaye is an independent expert appointed by the commission to investigate extrajudicial, summary or arbitrary executions worldwide.

He traveled in the United States from Sept. 21 to Oct. 8 last year and based his findings on meetings with federal officials and officials in New York, Florida, Texas and California, and on visits to death rows. In the 65-page report, Mr. Ndiaye said he found "a significant degree of unfairness and arbitrariness" in the death penalty's use.

Considerations aside from the crime itself often influenced whether the death sentence was imposed, he said, contending that such considerations included the race and economic level of both the victim and the accused. Mr. Ndiaye urged that the United States stop executions at least until it can ensure fair and impartial application.

He rejected the argument that there was broad public support for capital punishment in the United States. "In many countries, mob killings and lynchings enjoy public support as a way to deal with violent crime and are often portrayed as 'popular justice,'" he wrote. "Yet they are not acceptable in any civilized society."

He said that "allegations of racial discrimination in the imposition of death sentences are particularly serious in southern states such as Alabama, Florida, Louisiana, Mississippi, Georgia and Texas, known as the 'death penalty belt.'"

Some federal and state officials refused to see him during his visit. Senator Jesse Helms, Republican of North Carolina, and chairman of the Senate Foreign Relations Committee, called the mission an "absurd UN charade," and urged the State Department not to cooperate. He made his comments in an angry letter to the chief U.S. delegate to the United Nations, Bill Richardson, who later commented that the report would only "collect a lot of dust."

Mr. Ndiaye's report was issued late Friday, just before the commission voted, 26 to 13, with others abstaining, to continue its call for a general moratorium on executions, with the goal of eventually abolishing them globally.

In addition to the United States, the opponents included China, Congo and Sudan. George Moose, the U.S. delegate to the United Nations in Geneva, defended each country's right to decide this issue through its own democratic process.

Despite the commission's vote, many countries retain the death penalty. A recent report by the UN secretary-general, Kofi Annan, said that 90 countries have capital punishment, while 61 have formally abolished it.

BRIEFLY

Vasile Names Romania Cabinet

BUCHAREST — Prime Minister-designate Radu Vasile of Romania announced a cabinet Tuesday, keeping Daniel Daianu as finance minister.

Mr. Vasile named Sorin Dimitriu as privatization minister, and Ioan Muresan as reform minister. The ministers, both Christian Democrats, replace technocrats brought into former Prime Minister Victor Ciorbea's cabinet in a December reshuffle. Mr. Ciorbea quit last week.

A Social Democrat, Radu Berceanu, was appointed industry and trade minister. Mr. Vasile has until April 15 to win Parliament's approval for the cabinet. (Reuters)

Kosovo Rebels Boycott Talks

PRISTINA, Yugoslavia — Ethnic Albanian separatist leaders boycotted peace talks on Kosovo on Tuesday with the Serbian president, Milan Milutinovic, who described their absence as "irresponsible."

Mr. Milutinovic went to Pristina, the Kosovo capital, as the Serbian Parliament prepared to ratify a national referendum on April 23 on Yugoslavia's refusal to accept international mediation in the Kosovo crisis. A deadline set by the big-powers Contact Group for Yugoslavia to make progress toward a settlement with the ethnic Albanian majority in Kosovo or face sanctions expires two days later. Albanian sources said their political leaders would discuss their demand for independence only with federal Yugoslavia and with foreign mediation after the withdrawal of special Serbian police units from Kosovo. (Reuters)

Lobotomy Cases Rock Sweden

STOCKHOLM — A total of 4,500 Swedes who were forcibly lobotomized between 1944 and 1963 plan to seek state compensation after a television documentary alleged that children as young as seven underwent the brain surgery.

The operation was performed on about 500 people who were not psychiatric patients, including some developmentally impaired children, and thousands of others without permission.

Last August it was revealed that Sweden forcibly sterilized more than 60,000 people, mostly women, between 1936 and 1976 as part of a bid to improve Swedes' genetic make-up.

Meanwhile, Finnish radio reported that 1,500 lobotomies were carried out in Finland, most of them forcibly, between 1946 and 1969, and that as many as 400 of these patients were still alive. The youngest patient was a boy who was 14 at the time of the operation. (Reuters)

Moscow Mayor Assails Latvia

MOSCOW — The mayor of Moscow, Yuri Luzhkov, urged the Kremlin on Tuesday to impose economic and other sanctions on Latvia to protest an explosion near the Russian embassy in Riga, the Latvian capital.

Mr. Luzhkov said Monday's blast was "not a separate incident organized by nationalists or extremists, but a result of Latvia's state policy."

He told a city government meeting that Russia should "take the most decisive economic and humanitarian steps — excluding force measures — to protect the Russian-speaking populace of Latvia," the Interfax news agency reported.

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Yeltsin Yields to Court on Looted Art

Compiled by Our Staff From Dispatches

MOSCOW — President Boris Yeltsin denounced a court ruling as a "slap in the face" but indicated Tuesday that he would abide by the order and sign a law that will keep World War II "trophy art" in Russia.

The court said Monday that Mr. Yeltsin could not block laws approved twice by Parliament to halt the return of treasures seized by the Red Army in Germany during World War II.

"The government and I got a major slap in the face from the Constitutional Court," Mr. Yeltsin said at a meeting with parliamentary leaders Tuesday. "I am still convinced that it was a wrong decision." But "nothing more can be done about it," he concluded.

The presidential press secretary, Sergei Yastrzhembsky, added: "The president said that the court's decision is final. It is normal, it should be so in a democratic state."

Mr. Yeltsin, eager to foster close ties with Germany and Chancellor Helmut Kohl, has long been at odds with both houses of Parliament over the draft law on booty art, which he says contravenes Moscow's international obligations.

The problem has long been an irritant in Russia's generally warm relations with Germany, Moscow's biggest trading partner and creditor. Under the new law, the return of any individual item of war booty would be subject to parliamentary approval, all but blocking any handover.

Many Russians agree with the parliamentarians, saying that the art should remain as compensation for Germany's destruction of Russian cultural treasures and the sufferings of the Soviet Union, which lost 27 million people in the war. (AP, Reuters)

Swiss Study Incomplete

Switzerland said Tuesday that it could give no new data on how much art looted by the Nazis had found its way into the country until the final results of a research project are published this year. Reuters reported from Bern.

A Swiss newspaper reported Sunday on the study, which it said is looking into claims that far more art than originally thought found its way into private collections and museums in Switzerland.

Herald Tribune

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INTERNATIONAL

A New Piece to the Rwanda Puzzle

Belgian Contradicts French on Downing That Triggered Genocide

PARIS — The mystery deepened on Tuesday over the downing four years ago of a French plane carrying the presidents of Rwanda and Burundi, which touched off the killing of as many as a million Tutsi by rival Hutu.

Testifying before a French parliamentary committee, a Belgian specialist on Central Africa said he was told separately by Belgian, British and American intelligence services that the Russian-made missiles that brought down the aircraft on April 6, 1994, came from French armories.

But the specialist, Filip Reyntjens,

said circumstantial evidence cleared the French of involvement and pointed to the Tutsi-led Rwandan Patriotic Front, which has since taken power in Rwanda.

The Rwandan Patriotic Front, or RPF, was then supported by Uganda, which was in turn backed by the United States.

"How missiles captured by France from Iraq in February 1991 during the Gulf War could end up in the hands of the RPF is something I cannot explain," he said, "but the French government can certainly help find explanations."

Mr. Reyntjens's version directly contradicted that of Bernard Debre,

France's African affairs minister at the time of the downing, who said Monday that the missiles almost certainly came from American stocks of the Russian-made weapons.

The debate began last month when Le Figaro said the missiles, SAM-16s, were captured by French troops from Iraq during the Gulf War. The daily paper said its information came from two retired French officers involved in the Rwandan events.

The two African heads of state, Juvenal Habyarimana of Rwanda and Cyprien Ntaryamira of neighboring Burundi, were killed when at least one of two ground-to-air missiles hit their executive jet as it prepared to land in Kigali, the capital of Rwanda. Blame has never officially been determined.

Mr. Reyntjens, who led a public campaign in April 1994 for immediate foreign intervention in Rwanda, said France, Belgium, Italy and the United States all had troops in Kigali or nearby when the genocide began and could have easily prevented it rather than simply evacuating their nationals.

He said that when France sent back troops in June "the genocide was nearly consummated."

"Estimates of the number killed range from half a million to 1.1 million," he said. "The French saved 15,000 lives. That's excellent but it was too late."

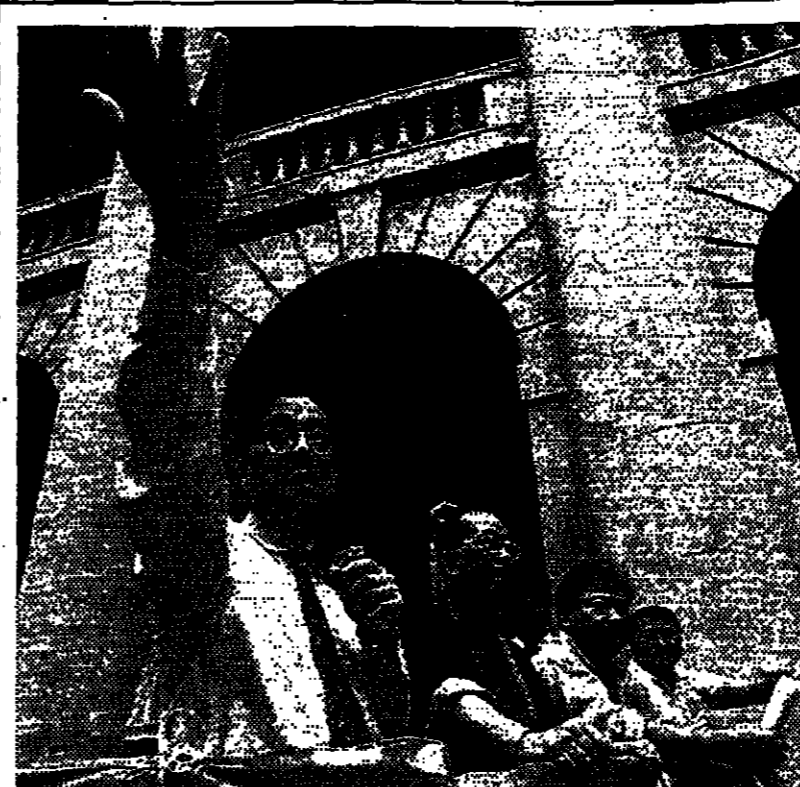
U.S. Denies French Allegation

The New York Times reported earlier from Washington:

Responding to Mr. Debre's assertion that missiles from U.S. stockpiles were used to shoot down a plane carrying the presidents of Rwanda and Burundi in 1994, the United States immediately denied that there was any evidence to support those allegations.

"The United States does not have any knowledge about the origin of the missiles which allegedly shot down the plane carrying the presidents of Rwanda and Burundi four years ago," said a State Department official. "We categorically reject any suggestion that we would have delivered any missiles to the perpetrators of this heinous act."

It has never been established who downed the plane. Ethnic Tutsi rebels operating from Uganda had been fighting with forces dominated by the Hutu majority of Rwanda since 1990, and extremist Hutu leaders were unhappy with a peace accord that the French brokered in 1993.



Yeung Sum, deputy chairman of the Democratic Party, and other party members protesting the new law Tuesday at the Hong Kong legislature.

HONG KONG: Immunity for Beijing

Continued from Page 1

law contradicted Hong Kong's constitution, which states that all Beijing officials shall abide by Hong Kong laws except in some defense and foreign affairs matters.

In recent weeks, the reluctance of the authorities in Hong Kong to prosecute China's official press agency, Xinhua, and a local executive with close ties to Beijing has focused attention on whether everyone in Hong Kong is receiving equal treatment under the law.

While the law, which passed by a vote of 46 to 6, is vague about which arms of China's government will be exempt from Hong Kong law, lawyers note that the language emphasizes organizations performing an executive function on behalf of the Beijing government. This would include Xinhua or bodies to be set up in the future under the auspices of Chinese ministries. The Chinese Foreign Ministry and the People's Liberation Army garrison in Hong Kong also would be exempt.

Many lawyers say they are concerned about the loose definition of the term "state." And what is meant by "central authority" is unclear, said Johannes Chan, a law professor at the University of Hong Kong and a member of the Bar Association.

A member of the provisional legislature, Kennedy Wong, in charge of the committee that considered the bill, urged its passage and said the definition of "state" could be decided later by the courts on a case-by-case basis.

But in theory, according to Mr. Chan, the new law could still mean that China's Trade Ministry might set up a standing committee to operate in Hong Kong, much as its Foreign Ministry already keeps an office of 150 people. The trade committee would be carrying out a function of the Chinese executive and could claim exemption from all statutory law.

The new law is retroactive to July 1, when China assumed sovereignty over Hong Kong. That would appear to absolve Xinhua from a possible private action to be brought by a former legislator, Emily Lau, who claims the agency violated a privacy law by refusing to hand over its files on her.

The government's reluctance to prosecute Xinhua over the matter caused a storm last month because the press agency exceeded by nine months the time limit for responding to a request such as Miss Lau's. Hong Kong's chief executive, Tung Chee-hwa, defended the decision not to prosecute, arguing that Xinhua had only been in "technical breach" of the law.

BRIEFLY

U.S. Envoy to Return To Middle East Soon

WASHINGTON — The U.S. envoy Dennis Ross is likely to return to the Middle East in about 10 days to try again to bridge gaps between Israel and Palestinians on peace efforts, a senior American official said Tuesday.

The official said that Mr. Ross probably would travel "after Passover," which begins Friday and lasts for eight days.

President Bill Clinton held a brainstorming session on the Middle East on Monday night with Mr. Ross and Secretary of State Madeleine Albright.

"We're looking for ways to bring the process to closure," the official said. "We're continuing to negotiate."

(Reuters)

Jerusalem on Guard

JERUSALEM — Israel, already on high alert after the death of a Hamas bomb-maker, beefed up security in Jerusalem on Tuesday for fear of possible violence after police shot and killed a Palestinian man in a car chase.

The police said they had shot Bilal Salameh late Monday after he refused to stop his vehicle and tried to outrun two patrol cars on a road from Jerusalem to Ramallah.

Mr. Salameh's brother, Nadir Salameh, asserted that the police had shot him after he stopped.

(Reuters)

Canada Meets Cubans

TORONTO — Twelve freed Cuban political prisoners whose release had been sought by Pope John Paul II arrived in Canada early Tuesday.

The former prisoners and about two dozen dependents arrived at Pearson International Airport on a flight from Cuba and were met by Canadian officials who had agreed to accept them after weeks of security and background checks.

(AP)

Maple Leaf in Quebec

QUEBEC — The Canadian flag flew once again Tuesday at Quebec City's city hall, eight years after the mayor ordered it removed.

A majority on the city council voted to display the flag, which Mayor Jean-Paul L'Allier ordered removed in 1990 after the breakdown of negotiations on giving Quebec special status under the Canadian Constitution.

(AP)

Face It: No Life on Mars

Or So Insists NASA, Calling Site Just a Mesa

By Kathy Sawyer
Washington Post Service

WASHINGTON — NASA scientists have wiped the "face" off Mars and with it, they hope, the belief in some quarters that it was the remnant of an ancient Martian civilization.

More than 20 years ago, one of the U.S. Viking space probes took a photograph of what appeared to be some people to be a monumental sculpture of a humanoid face, staring skyward from a hilly desert region of Mars known as Cydonia.

Since then, the Martian "sphinx" has generated tabloid headlines, true believers and questions. For some, its story stirred caricatures of intelligent beings at work on the Red Planet and led to fringe suspicions of a U.S. government conspiracy to keep this knowledge from the public.

On Monday, the National Aeronautics and Space Administration made public on the Internet images taken during the weekend by the Mars Global Surveyor spacecraft, which is orbiting the planet on a mapping mission. The pictures show the same site in 10 times the detail and with the sun shining from the opposite direction, compared with the 1976 image.

It is a mesa, scientists have concluded again. And the only sculptor at work there is nature. "There will always be a few diehards, but I think the American people will look at this and wonder what all the fuss was about," said Surveyor's chief scientist, Arden

Albee, of the California Institute of Technology.

"Anyone who has flown in an airplane will recognize that this is natural," he added. "You could see something like it in many places on a flight from Washington to L.A. It's not an unusual feature."

Mr. Albee said that the new images, taken from 276 miles (444 kilometers) above the surface, confirmed previous NASA analyses indicating that the "face" is actually a natural rock formation, an isolated mesa where ridges and gullies cast shadows. The illusion of human features was produced by the combination of light and shadow that prevailed when the original Viking picture was taken, he continued.

Groups that believe in the "Case for the Face" (the name of a recent publication that compiles 18 research papers on the issue) plan exhaustive analysis of the new images in coming days and weeks, said Stephen Bassett of the Paradigm Research Group. It is a consultant for leading advocates of the theory that the face is the product of intelligent activity.

"There are many layers to this," he said. "This is going to be analyzed to death." At this point, he said there's nothing in that photo that "leaps out at you" to either confirm or eliminate the theory that the feature is artificial.

He said that if someone had sculpted a face a mile across, leaving it to weather as long as 2 million years, "getting closer to it is not necessarily going to make it look more like a face."

MARKET: Many Americans Miss Out

Continued from Page 1

mutual fund is making a little money. But those gains are quite small in relation to very big increases for wealthy families."

Conservative economists agree that there is a problem but say it can be solved by preaching the virtues of stocks. "As we head into the next century, income and wealth are being driven by ownership," said Stephen Moore, analyst at the Cato Institute. "If we stay on our current course, it will lead to wider divisions. The answer is to help all the people get into the market. We have to create a nation of capitalists, in which everybody can own their piece of the rock."

Mr. Marcus said that even if he had a little money to spare, he would be wary of socking his hard-earned wages into anything riskier than a regular savings account or certificates of deposit. "I personally don't have the money to lose," he said.

And yet, in the years since Mr. Marcus joined the labor force, stocks have achieved much higher average returns than other assets. Analysts at Vanguard Group estimate that if Mr. Marcus had managed to squirrel away \$1,000 each year after his 20th birthday, plowed that money into a mutual fund that matched the performance of the Dow and reinvested his dividends, he would now own a stock portfolio worth more than \$332,000.

Over the full 25-year period, Mr. Marcus would have earned an average annual return of better than 16 percent. But he would have had to hang on through some dramatic ups and downs. The value of his holdings would have contracted 13 percent in 1973 and 24 percent in 1974. But his portfolio would have jumped 34 percent in 1985 and 37 percent in 1995.

At the other end of the spectrum, some of the most dramatic beneficiaries of the market's impressive rise include Americans who work in the high-technology sector and receive part of their compensation in stocks.

Consider the case of Steve Hard, 25, and his wife, Tamiko, 23, both of whom are employed by UUNet Technologies Inc., a subsidiary of WorldCom Inc.

Steve handles transactions between UUNet and telephone companies. Tamiko is an account processor. Each earns about \$28,000 a year.

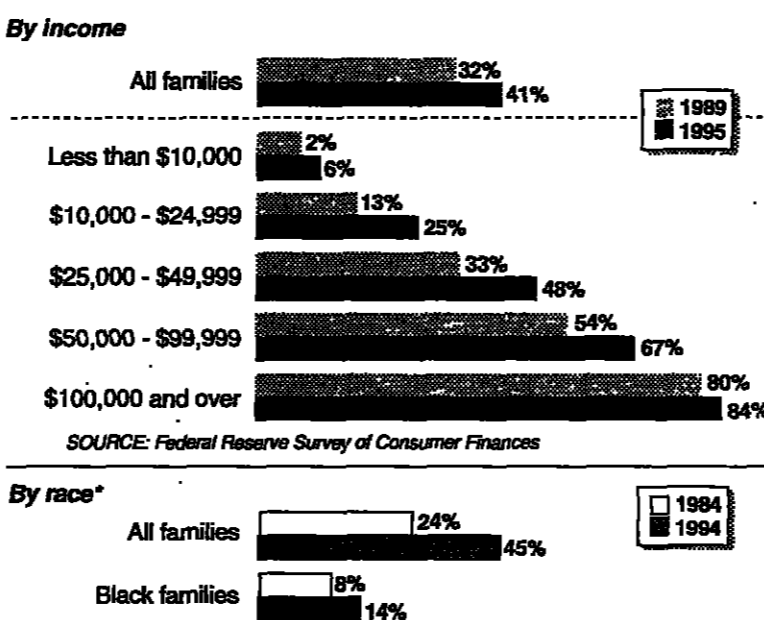
But since joining UUNet in 1995, the couple has accumulated about 7,000 WorldCom shares. Some were acquired as signing bonuses, some as rewards for good job performance and some through a payroll deduction program that allows employees to purchase WorldCom shares at a discount.

The Harnds have sold about \$40,000 of their stock over the last year or so. But they estimate the value of their remaining shares at more than \$100,000. If WorldCom's stock price, which was trading late Tuesday at \$42.8125, down 50 cents, reaches \$75 in the next two years, they calculate, their portfolio will be worth more than \$300,000.

While people in higher-income groups are more likely to invest in stocks, their education, race and marital status are also powerful indicators of whether they will own stock, according to Frank Stafford, an economist at the

Wall Street's Rise: An Uneven Bounty

Percentage of U.S. families having direct or indirect stock holdings:



University of Michigan and co-director of the Panel Study on Income Dynamics, an ongoing inquiry into shifting wealth trends in America.

In contrast to the Fed's survey of consumer finances, which studies the wealth of a different sample of Americans chosen at random every three years, the panel study tracks the savings and investment patterns of the same sample of U.S. families over time. Mr. Stafford and his colleagues have found that families are much more likely to hitch their financial wagon to the stock market if the head of the household has a college degree and is married rather than single.

He has also discovered that, even after adjusting for income, education and family status, African-American households are far less likely than Americans as a whole to participate in the stock market. Of the married African-American families surveyed by the most recent panel study in 1994, only 14 percent owned stocks, compared with 45 percent of all married families.

Mr. Stafford called the participation rates for blacks "a shocking statistic," reflecting a trend that has significantly slowed the pace at which the wealth of African-American families is catching up with that of other Americans.

The market's disproportionate bounty comes in the wake of two decades in which many economists agree that the chasm between America's haves and have-nots has steadily widened.

According to an analysis of Congressional Budget Office data by the Center on Budget and Policy Priorities, between

DEAL: Citigroup Makes Big Bet on Asia

Continued from Page 1

and investment-banking services, as well as to sell insurance. "The governments in this region have to recognize that this is the new model," he said.

If the merger goes through, the new Citigroup would instantly vault into the ranks of Asia's "global universal banks," which include HSBC Holdings PLC, Deutsche Bank AG, and ING Barings. Only HSBC Holdings, which has assets of \$393.6 billion, would have a more dominant regional position. Although Bank of Tokyo-Mitsubishi has more assets than HSBC, it focuses mainly on Japan.

Several banking executives predicted that the deal would force HSBC to pursue a merger of its own, perhaps with J.P. Morgan & Co.

Executives at Citibank's Asian headquarters said the bank was already discussing plans to offer Travelers insurance to its clients. That business is now dominated in Asia by American International Group and National Mutual, a French-owned company. But if Citibank were to offer home-owners insurance with every mortgage, Travelers could quickly become a powerhouse here.

Citigroup would also put pressure on American and other foreign investment banks, which have spent millions of dollars to establish beachheads here and are now suffering through the crisis. The deal greatly strengthens Salomon Smith Barney, the investment banking arm of Travelers, by giving it access to Citibank's connections in the region.

Salomon has built a respectable reputation in Asia in recent months by handling a global bond issue for South Korea, along with Goldman, Sachs & Co. But it is still generally perceived as a second-string player in the region, after Goldman, Merrill Lynch & Co., and Morgan Stanley & Co. Now, though, Salomon and Citibank will be able to refer customers to each other — an advantage their rivals do not have.

For Salomon's point of view, access to Citibank's long history in Asia and its distribution network can only benefit us," said Andrew Butcher, the director of business planning at Salomon Smith Barney in Hong Kong.

Citibank has been active in Asia since the turn of the century, though it ramped up its expansion in the 1980s under the direction of Mr. Reed. Battling onerous government restrictions, crumbling local infrastructure, and the Asian bias against borrowing, Citibank has made its logo as recognizable in Kuala Lumpur as Kansas City. Its Asian operations generated \$866 million in net income in 1996, on revenues of \$3.3 billion.

In a 1996 interview, Mr. Reed said he was reluctant to pursue a megamerger of the kind Citibank announced Monday because such a deal would deflect attention from the bank's valuable international franchise.

But that was two years ago, when the Asian Tiger economies were still roaring. Today, Citibank must contend with debt-ridden corporate clients and consumers who are curtailing their free-spending habits.

As household incomes have plummeted, so has purchasing power and consumer confidence. In a recent survey of 12 Pacific Rim countries conducted by Mastercard, only the Australians and Chinese were optimistic about the future.

Analysts pointed out that Citibank has not been as scarred by bad loans or insolvent customers as local banks. "They tried to avoid big-ticket loans and the types of transactions that can go bad," Mr. Niern of HSBC said.

In fact, Asia's economic distress might offer the combined Citibank-Travelers some choice opportunities. Regulators in some countries, such as Thailand, might be willing to hand out more generous bank franchise agreements to help prop up their battered banking systems. The new Citigroup could also acquire branches of local banks whose assets have been taken over by the government.

Given the potential problems with these, however, several analysts said the company ought to be very cautious about acquiring banking assets in the region. Most of all, they counseled patience. Asia will eventually recover, these analysts said, and when it does, it will still be the potential gold mine that piqued Mr. Reed's interest more than a decade ago.

RECESS: Many U.S. Schools Are Dispensing With Play Time

Continued from Page 1

that the Cleveland Avenue grammar school, a handsome brick building, was built two years ago without a playground. For children like Toya, a 5-year-old with a smart vocabulary and a zesty sense of wonder, questions about recess only brought a puzzled expression.

"What's recess?" she asked.

To experts on child development, virtually without exception, it seems preposterous to eliminate recess at a time when so many young people are growing obese, and when so many disorders linked to restlessness are being diagnosed among children.

Tony Pellegrini, a professor of child development at the University of Georgia who is the author of books on children at play, said, "Every study shows that children are more attentive after recess — as the kids would say, 'Well, duh!'"

"But there's this political appeal at work: We want to improve performance; we don't want to waste time; we don't want to coddle kids," Mr. Pellegrini said. "So we adopt this factory-like approach: let's stick their nose in it long

meal, and cannot mill about and talk to friends.

Critics of the no-recess policy also maintain that it simply does not work. If lawyers and nurses and grocery store clerks need breaks to relax and recharge, children, they say, need a break, too.

Olga Jarrett, a professor of child development at Georgia State University, recently conducted a study of academic performance and recess, and found that students who did not get a break were much more fidgety in the classroom. Just

as worrisome, she said, the rigid structure deprived children of a chance to learn to mix with others.

"When do kids learn to interact with kids?" Professor Jarrett asked, noting that many children today go home after school and sit in front of the television, rather than play outdoors. "We have many latchkey kids who go home and lock the door until their parents get home. Now if they can't mingle with other kids at school or at home, how are they going to learn to resolve conflict with their peers?"

GERMANY: Unemployment Drops a Tad

Continued from Page 1

running against Gerhard Schroeder for an unprecedented fifth term.

Protest organizers said they expected a total of 50,000 demonstrators in 300 towns and cities across the country, but rallies appeared to be small compared with previous months, possibly because official business in Germany slows down in the days before Easter.

Germany's main union federation

percent from 10.4 percent. Swelling jobless rolls, however, have stifled consumer spending, holding down inflation.

Germany's consumer prices fell 0.2 percent in the month, keeping the country's annual inflation rate at a seven-year low of 1.1 percent in March, the Federal Statistics Office said.

"We will continue to see good rates of growth," said Thomas Kull, an economist at Wirtschaftswoche magazine.

ULSTER: Blair Hurries to Peace Talks

Continued from Page 1

Ireland has only a marginal consultative role in northern affairs.

Protestants bristle at this as a Catholic Trojan Horse intended to create eventually a united Ireland, free of British control, run from Dublin.

Although the details of the Mitchell proposals have not been made public, they are known to cover these new gov-

ernment complaint with the Irish government, a sponsor of the talks with Britain, is that the Irish have refused to specify how they would tone down Ireland's constitutional claim to sovereignty in the north.

Mr. Abern, who was in Dublin on Tuesday for the funeral of his mother, did not comment immediately on Mr. Trimble's rejection of the Mitchell proposals.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Assault Weapons

"You do not need an Uzi to go deer hunting," President Bill Clinton said Monday in announcing a permanent ban on the importation of 58 types of semiautomatic assault weapons. That principle should have been recognized years ago. Mr. Clinton's directive will at last close a loophole that has allowed foreign gun dealers to infiltrate the legal barrier against imports of assault weapons into the United States.

The 1968 Gun Control Act generally prohibits firearm imports, unless they are "particularly suitable for or readily adaptable to sporting purposes." In 1989, President George Bush banned imports of 43 types of semiautomatic assault weapons. Most had military features like grenade launchers, bayonet mounts, pistol grips, night sights and the ability to accept large detachable magazines, which allow a shooter to fire multiple rounds without reloading.

The Bureau of Alcohol, Tobacco and Firearms took the position that a weapon with any of these features other than the detachable magazine could not meet the "sporting purposes" test and would therefore be banned. Foreign gun manufacturers quickly altered their products to meet these guidelines.

But since detachable magazines, including those that hold more than 10 rounds, were still allowed, the

modified weapons could still include them.

Since 1991, 425,000 modified assault weapons have been allowed into the United States — even as Congress was approving legislation to ban the domestic manufacture, sale and possession of 19 types of assault weapons.

Last November the Treasury Department temporarily suspended the imports and began a review of the sporting-purposes test as it applied to 59 models of assault weapons that were getting past the import ban.

The review found that large-capacity magazines did not serve any sporting purpose like hunting or target shooting. To no one's surprise, the review also found that the large-capacity magazines were very popular among criminals.

The order will prevent 1.6 million assault weapons that have already received import permits or are awaiting approval from entering the United States. Mr. Clinton is to be commended for this decision, and for ignoring the contemptible arguments of the gun lobby, which is complaining that profits for gun importers will now be reduced. But there are still nearly 200 million weapons in the country, many of them in the wrong hands. The fight for meaningful gun control is far from over.

—THE NEW YORK TIMES

Exporting Disease

As communism fell in Eastern Europe, the Marlboro Man rode into town. U.S. cigarette makers were in the vanguard, exporting their lethal products as symbols of Western glamour and free-market prosperity. In the former Soviet Union, the three big multinational tobacco firms became, along with energy companies, the biggest investors.

When Western advertising began to provoke a nationalist backlash, a new brand appeared. "Peter the Great" cigarettes were designed — according to an inscription on each pack — for those who "believe in the revival of the traditions and grandeur of the Russian lands." They are made by, yes, the R. J. Reynolds Tobacco Co.

The tobacco industry may be on the defensive in America, but it is unashamedly on the march overseas, trying any trick to lure old smokers to new brands in ex-Communist countries and to hook new smokers there as well as in the developing world.

The big three — Reynolds, Philip Morris Inc. and British-American Tobacco Co. — want a settlement in large part so that legal challenges in their stagnant home market would not distract them from growth opportunities in the Third World. But an agreement that protects some American children from tobacco addiction at the expense of many more children in foreign countries would not be much of a victory.

That is why it is important that any tobacco bill include some measures to limit tobacco's predatory behavior

overseas. Senator John McCain's proposal — with support from Senators Ron Wyden, Dick Durbin and others — would prohibit the U.S. government from promoting the U.S. tobacco industry abroad. It also would step up U.S. efforts against cigarette smuggling and assist other nations in their anti-smoking efforts, with funding coming from a two cents-a-pack "fee" on overseas sales of U.S. cigarettes. Perhaps most important, it would seek to impose the same restrictions against selling or marketing to children overseas as would apply in America.

Some of these provisions are modeled on the Foreign Corrupt Practices Act, a precedent for U.S. regulation of companies' overseas behavior. But it is not clear whether they could apply to foreign subsidiaries, and even in their present form they are under attack from some senators and the tobacco industry.

The administration should work with Congress in passing the strongest legally defensible provisions possible. President Bill Clinton also should provide more leadership of an international coalition against smoking.

Tobacco accounted for 2.6 percent of the worldwide burden of disease in 1990, according to a recent study by the World Health Organization and the World Bank. By 2020, that figure will grow to 9 percent — more than malnutrition, HIV or any single disease. U.S. firms bear considerable responsibility for that sad statistic.

—THE WASHINGTON POST

Budget Restraint

The budget resolution the U.S. Senate adopted last week resists the temptation to spend money Congress does not have. That alone makes it an unusual and solid piece of work. It does not spend the widely anticipated budget surplus that does not yet exist. Rather, the Republicans under Budget Committee Chairman Pete Domenici yielded to the president's injunction that the surplus, if one materializes, be used to strengthen the government's future ability to finance Social Security retirement benefits by paying down the debt.

Having yielded to the president on the surplus, Mr. Domenici then went him one better and insisted that any cigarette tax increase be used to reduce the debt as well, as a way of banking it against the future cost of Medicare. Some of this was fit for fat, since the president, while walling off the surplus, had wanted to use the cigarette proceeds to help finance his child-care program and other domestic initiatives. But the cigarette tax has not been enacted either, and it is bad policy to spend it in advance: the politicians mortgage themselves to the tobacco companies if they do so.

With the surplus and the cigarette tax both declared off limits, the Budget Committee had trouble coming up with much free money, and just about every scrap it found was set aside for what would otherwise be the budget-

busting highway bill that Congress is passing. That left both parties unhappy, even as they voted with enthusiasm for the roads.

Republicans want to give a tax cut, and conservative Republican senators threatened to withhold their votes for the budget resolution until the majority leader, Trent Lott, agreed to try to make more room for a tax cut later in the budget process. But the rules remain such that whatever cut they grant will have to be financed, most likely by an offsetting increase. What will it be?

Likewise, the Democrats, led by the president, complain that his initiatives were shut out, as they were. But they too must vote for the highway bill, and the president did not oppose it either. Even now he is reluctant to do so, he would just like a little shaved off the top.

A tax cut makes no sense just now. If anything, as the likely future costs of Social Security and Medicare and such things as the highway bill attest, the government already lacks the funds to meet its obligations — to do what the country legitimately expects of it without lapsing once again into borrow-and-spend. As to whether highways or increased child-care subsidies should come first, that is a fair enough debate to have in an election year. They just need to pay for what they choose.

—THE WASHINGTON POST

What Does Japan Need? An Economic Revolution

By Thomas L. Friedman

WASHINGTON — At this time each year world leaders prepare for the annual June G-7 summit meeting by asking themselves: What should we talk about this year? Every year they come up with some phony theme. Well, I've got an idea. Let's have them talk about something really important.

Let's make this year's Group of Seven meeting about Japan. Even though the summit will be in Birmingham, England, I say serve those G-7 leaders sushi and rice for every meal, make them attend origami classes and tea ceremonies and list every item on the agenda as: "Discussion about Japan." That's right, let's really spotlight Japan. Who knows, maybe that will help trigger the only thing that will really stimulate Japan's economy: a revolution.

Why should you care? Because Asia today is sinking into recession.

In an effort to climb out, all the Asians are trying to use their cheap currencies to increase exports and stoke up growth. But someone has to buy all those exports. And if Japan, the world's second-largest economy after the United States, will not take its share, everyone is going to try to export to America. That, in turn, could send the U.S. trade deficit soaring.

shrink the earnings of U.S. multinationals, spark a strong protectionist backlash in America and end the long boom in the U.S. economy.

I would say that it is worth talking about at a G-7 meeting, especially since Japan, despite seven lean years of virtually no growth, still cannot stimulate its economy, because it has political and economic arteriosclerosis.

Politically speaking, Japan today is like Japan near the end of World War II: Tokyo was burned to the ground, Nagasaki and Hiroshima had been flattened, the Japanese fleet was at the bottom of the ocean. But the Japanese political leadership would meet each day in the emperor's bunker and no one could bring themselves to tell him: "Game over." Finally, the emperor had to do it himself, telling the Japanese people they had to swallow their tears and surrender.

Well, today unfortunately there is no all-powerful Japanese emperor. So Japan's politicians are home alone in their bunker, still dithering over who will tell the people that they have

to surrender to the global economy.

The old Japanese system — top-down capitalism, protected by high trade barriers — cannot be sustained in today's new fast-paced, integrated information age.

"Japan can't stimulate effectively unless the system is changed," argues Clyde Prestowitz, head of the Economic Strategy Institute and a longtime analyst of the Japanese economy. "You cannot have a macroeconomic solution in Japan without a micro solution."

That is because Japanese consumers will not spend and Japanese banks will not lend — without radical reforms. Japan's banks are in feeble shape, notes Mr. Prestowitz, so when the government tries to inject money into the banking system (usually by propping up the stock market), the Japanese banks keep the money to shore up their balance sheets and do not make any new loans. Until the Japanese government does an American-style S&L bailout, and takes the bad loans off the books of the Japanese banks, it will be hard for the banks to contribute to a stimulus.

Meanwhile, Japanese consumers, who in the best of times save too much and in uncertain times do so even more,

tend to take tax cuts and stuff a lot of it into their mattresses. One reason Japanese consumers do not spend is because everything in Japan is so expensive, because the economy is so regulated and full of hidden monopolies and tariffs.

Without some real move to open the Japanese economy, Japanese consumers, who have trillions of dollars in savings smashed away, are never going to buy enough from the rest of the world.

But Japan's macroeconomic policies have also been wanting. The Japanese government keeps offering what the U.S. deputy Treasury secretary, Lawrence Summers, rightly calls "virtual fiscal policy" — phantom spending programs and voodoo tax cuts that not only have not stimulated the Japanese economy but have actually left it contracting at a time of already slow growth, à la Herbert Hoover.

Japan needs an economic revolution. For now, though, there is no ruling or opposition figure there to articulate and lead that revolution. So either America and its G-7 partners will do it, by hammering Japan, or a major economic catastrophe will do it, by hammering us all.

The New York Times

It's Now Up to Outsiders to Develop an Action Plan for Tokyo

By Clyde Prestowitz

WASHINGTON — After months of insisting its vast wealth immunizes it against the Asian economic flu, Japan seems to be contracting an especially virulent case, with its economy now shrinking at a 2 percent annual rate.

In response to domestic and foreign pressure, Prime Minister Ryutaro Hashimoto recently announced a \$120 billion public works stimulus package and was promptly criticized by Sony Chairman Norio Ohga, who said Japan was on the verge of meltdown and joined foreign analysts in calling for tax cuts to go along with the spending.

In fact, whether it is tax cuts or spending does not matter. Any stimulus package at this point is like putting a patient who needs a new heart on life support. It may be a necessary measure, but it is not a sufficient one.

The problem is the standard fiscal tools work poorly within the present clogged structure of Japan's economy. Since 1992, Japan has reduced interest rates to virtually nothing, spent nearly \$700 billion on various pump-priming programs and run an overall government

budget deficit of more than 7 percent of GDP (twice the size of the U.S. deficit at its peak) without lasting effect. Why this new package should yield different results is not clear. In fact, there are several reasons why it probably will not.

First, Japanese banks are critically overburdened with nonperforming loans and are desperately trying to improve their anemic capital-to-loan ratios by cutting back on new lending. Thus, as fast as the government injects fiscal stimulus into the economy, the banks are withdrawing it, giving rise to a wave of bankruptcies and a loss of confidence on the part of businessmen and consumers alike.

Added to traditional impediments to consumption and growing concern over the adequacy of pensions for its rapidly graying society, this bearish psychology is driving Japan's already high personal savings rate to levels that will undercut the potential impact of any tax cuts by ensuring that tax savings will simply wind up lying around the house.

Finally, Japanese public works spending has become so

exorbitant and corrupt over the years that it is an extremely inefficient stimulant. Just buying the land and making the requisite payoffs for paving roads and building bridges to nowhere eats up so much of program budgets that little is left for direct economic stimulus.

In fact, the only way for fiscal packages to become effective is through the quadruple bypass of deregulation and market opening. But for one of the world's most bureaucratic societies, the concept of deregulation is difficult to grasp. The truth is that Japan's leaders do not know what to do. Thus, if the United States and others really want Japan to become a locomotive for growth in Asia, they should develop a recommended action plan.

The first step must be restoration of the health of the banking system. To achieve this, the government must clean up the banks' balance sheets by taking responsibility for nonperforming loans. At the same time, Japan's Deposit Insurance Corporation should be strengthened to ensure protection of depositors, while

banks with inadequate capital reserves are closed.

Land use regulations are among the major drags on the Japanese economy. At the moment, 15 percent of metropolitan Tokyo is in vegetable patches, while the Japanese public is compelled to live in tiny houses that inhibit consumption simply because they cannot hold a second telephone or television set. Rezoning, reduction of agricultural subsidies and revamping of building codes would unclog this bottleneck and unleash a tidal wave of increased consumption of all kinds.

Electricity, airline tickets, phone calls, taxi rides, hospital stays, package delivery and most retail goods cost substantially more in Japan than elsewhere because their sale is heavily regulated. Allowing free entry into these and other regulated businesses would greatly reduce prices and thus stimulate further consumption and economic growth.

Finally, cartels and anti-competitive business practices constitute a major cause of excessively high prices and sluggishness in the Japanese economy. This situation could be

changed dramatically by allowing corporations as well as Japan's Fair Trade Commission to file antitrust actions. An introduction of criminal penalties along with triple damages awards would also put teeth in the antitrust laws, as would a substantial increase in the staff and budget of the FTC.

To ensure that Japan takes these or other recommendations seriously, it might be necessary for world leaders to convene an extraordinary session of the World Trade Organization. It was John Maynard Keynes who proposed in the 1940s that a world trade body should have emergency measures for handling threats to the trading system arising from chronic surpluses as well as from excessive deficits.

Perhaps it is time for the WTO to come to grips with this long-recognized problem in a way that would encourage Japan seriously to consider a thorough opening of its market to both domestic and foreign enterprises.

The writer, president of the Economic Strategy Institute, contributed this comment to The Washington Post.

Nazism, Not Catholicism, Is to Blame for the Holocaust

By Marc Saperstein

WASHINGTON — In the year 1348, the Black Death swept through much of Europe, leaving one-third of the population dead.

Terror, panic and bewilderment fostered the impulse to identify someone to blame. Many turned to a traditional and vulnerable scapegoat — the Jews. In Switzerland and Germany, Jews were arrested, tortured and made to confess that they had plotted to poison the wells and springs. Thousands of Jews were killed.

In the midst of this violence, Pope Clement VII issued a papal bull, citing 10 earlier popes as a precedent, to reaffirm one aspect of the traditional church doctrine about the Jewish people: Jews are not to be forcibly converted, they are not to be killed.

"Let no Christian dare to wound or kill these Jews, or to seize their property, except from the lawful sentence of the lord of the region, or city, or countryside which they inhabit."

A contemporary Christian chronicler wrote that "the Jews were burnt all the way from the Mediterranean into Germany, but not in Avignon, for the Pope protected them there."

This example of papal leadership during the catastrophe that ravaged mid-14th century Europe is worth pondering given the heated controversies that have recently erupted over the introductory film "Anti-Semitism" shown by the U.S. Holocaust Memorial Museum and over the Vatican's recent document titled "We Remember: A Reflection on the Shoah." Central to both controversies is whether — as many have understood the Holocaust Museum film to suggest — traditional negative Christian teachings about the Jews and Judaism led directly to the virulent anti-Semitism that drove the Nazis to annihilate the Jews.

On this issue, I believe that

the Vatican statement is correct in asserting that Nazi anti-Semitism "had its roots outside of Christianity," that it was not derived from the anti-Jewish doctrines of the church but rather from an "exacerbated nationalism" and a secular "pseudo-scientific" racism.

Nazi texts provide no evidence that the anti-Semitism of Hitler or Himmler was informed by the Christian characterization of the Jews as Christ-killers, condemned by God because they refused to recognize the messiah. Nazi rhetoric is drawn from different realms.

The Jews are "like a maggot" feeding upon the corruption of German culture (Hitler), "a germ" that must be exterminated (Himmler), "the gangrenous appendix of mankind" (an SS physician at Auschwitz).

Some of those who had been nourished by the Christian teaching of contempt undoubtedly found the new racist anti-Semitism appealing. But the suggestion that Christian doctrines or practice led directly to the Nazi death camps is misleading and inappropriate.

A second issue pertains to the behavior of the church leadership while the Jews of Europe were being murdered. Here the Vatican statement reaches a puzzling conclusion.

After noting instances of churchmen who did condemn Nazi persecution of the Jews, and of Christians who sheltered Jews at considerable risk, it goes on to say that "the spiritual resistance and concrete action of other Christians was not that which might have been expected from Christ's followers."

For this failure to "raise their voices in protest," the statement proclaims a need for penitence. But why should ordinary Christians be held to this standard when the highest leadership of the church during World War II — Pope Pius XII and the Vatican's secretary of state, Luigi Cardinal Magliano — set the policy not to raise their voices in protest? That this was indeed the policy is beyond dispute.

The justification is that more could be accomplished for the Jews through behind-the-scenes diplomatic maneuvering than through public condemnation. But this silence was also a

corollary of Vatican neutrality during the war, which was bound up with the geopolitical judgment that the Nazi regime was an indispensable bulwark against the advance of atheistic communism into central Europe. To the leaders of the church, Hitler was clearly preferable to Stalin.

The only public hint by the Pope of a protest against mass murder came in a single sentence of his Christmas message of 1942, mentioning the "hundreds of thousands of persons who, without any fault on their part, sometimes only because of nationality or race, have been consigned to death or to a slow decline." This formulation was carefully crafted to avoid explicit reference to the Jews as victims or to the Nazis as perpetrators.

When President Franklin Roosevelt's special envoy urged a more explicit statement, the reply was that the Pope "could not mention the Nazis without at the same time mentioning the Bolsheviks."

What if, in that Christmas message, Pope Pius XII had abandoned diplomatic ambiguity and reiterated the forthright words of his predecessor, Clement VI: "Let no Christian dare to wound or kill these Jews, or to seize their property?"

How many Catholics in the SS or in the German reserve police battalions might have heeded these words and declared themselves incapable of carrying out the orders for mass murder?

Surely such a statement would have had greater impact than the protest of the ordinary Christians whose shortcomings are sorrowfully noted by the new Vatican statement.

Yet this discussion should not blur the distinction between the failure of Christian individuals and institutions to protest or resist and the crime of the Nazis who conceived and implemented the policy to annihilate the Jews. There were limits to the capacity of the Pope and the Roman Catholic Church to prevent a world power with military domination over a continent from murdering the civilians it defined as its enemies.

The fundamental responsibility for the Holocaust lies with the Nazi perpetrators. Not with Pope Pius XII. Not with the church. Not with the teachings of the Christian faith.

The writer is a professor of Jewish history and director of the program in Jewish studies at George Washington University. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Leaving Cuba

MADRID — The *Imparcial* publishes a long cable despatch from Havana last night [April 7] describing the populace as intensely excited owing to the inevitability of war. The message further says that Consul-General Lee has sent urgent messages to all American citizens to avail themselves of the steamers specially chartered by the Washington Government. During twenty-four hours, 386 passports have been issued, and the passenger wharf is piled up with trunks and other personal luggage. It is stated that General Woodford is now ready to leave Madrid at a moment's notice.

1923: Pram Race

LONDON — Mrs. Lily Groom, of Eastbourne, won the Mothers' London-to-Brighton perambulator race to-day [April 7]. She pushed a baby carriage with

her two-year-old baby in it a distance of 52 miles in 12 hours 20 minutes. She is forty years of age and is the mother of five.

1948: German State

DUSSELDORF — The American and British Military Governments today [April 7] firmly shut the diplomatic door to further negotiations with the Russians about the Germans' future by calling on all Germans to join the political battle against Communism. In the most strongly worded pronouncement yet uttered by any responsible Military Government official, the British Military Governor, General Sir Brian Robertson, revealed the decision of the Western powers to create a German state as a measure to prevent war from breaking out in Europe, and gave ample indication of the quadripartite government of occupied Germany has officially been buried by the Allies.

Herald Tribune

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To Tango in the Midnight Sun: It's as Finnish as Baseball

By Barry James
International Herald Tribune

HELSINKI—Far from its roots in the low life of Buenos Aires and Montevideo, the tango flourishes in the land of the midnight sun, as typical of Finland as saunas and skis.

It has survived everything from Elvis to techno and shows no sign of losing its popularity. Many Finns no longer think of the tango as South American at all, and there have even been suggestions that the country's most popular tango, "Satumaa," which speaks of a fairyland of unattainable happiness, should be included in the country's Lutheran hymn book.

Tango, like the Finnish version of baseball called *pesisä*—the pitcher stands next to the batter and throws the ball

vertically into the air—has undergone an existential shift in its transplantation from one continent to another. In Argentina, tangos are about deception, love gone wrong, bad women, nostalgia and immigrants with cardboard suitcases.

The Finnish tango is smoochier. The words, says the filmmaker Markku Polonen, who directed a popular movie on the subject, "are about eternal love, not one-night stands." Polonen said the tango lyrics help tongue-struck young men to express their feelings to the young women they hold in their arms at open-air dance halls in the country.

"The words of the song become the words they would like to say," Polonen said.

For many Finns, he said, the tango is a reminder of youth, of velvety summer evenings, of innocence. The central themes are love, sorrow and nature. The tunes are full of Nordic imagery—snow

and the lonely countryside, the white nights and the trees.

People dance an energetic fox-trot known as the *hummppa*, which is very good exercise, and the waltz, but when the band strikes up a tango, everyone dances. And it is quite acceptable for women to ask men. Finnish tango is not of the knee-locking Argentine variety. For the man, it consists basically of two steps forward and one back, which is just as well after the guys have slipped outside a few times for a surreptitious drink. Polonen said that only the Roma, or gypsies, of which there is a long-established community in Finland, hazard the more intricate Argentine style of tango dancing.

The rhythm, Polonen acknowledged, is straight-forward "dum, dum, diddle-dum." The good thing about the dance, he said, is that "you get really close."

The tango reached Europe in the 1930s

as an exotic Latin dance. Elsewhere it became a ballroom specialty, but in Finland it entered the national psyche during the winter war against the Soviet Union, when it came to express the nostalgia and loneliness of troops at the front, away from their families. During those appalling winter days, the Russian troops huddled in their quarters listening to soft balalaika music broadcast by Radio Moscow while the Finns listened to mournful tangos. Far from sapping morale, historians say, the music—and those words about distant happiness—seemed to make the Finns even more determined to defend their homeland.

Argentine tango is an urban form; here it is a country dance. The advent of rock music, says the musicologist Pekka Gronow of the Finnish Broadcasting Co., created a line across the country, dividing it between "Beatle Finland and

tango Finland. Incidentally, the same line separated the yes votes from the no votes in the referendum on Finland's membership in the European Union. The north was tango country, and bands which accepted gigs in dance halls there knew that they had to have at least 30 tangos in their repertoire."

The typical tango venue is not an urban discotheque but the outdoor dance halls all over the country, which are known as *lavanssit*. Typically there will be a band consisting of accordion, bass and drums—another difference: In Argentina, the tango is played on a bandoneon, a sharper-sounding instrument that gives Argentine tango its typical hard edge.

Polonen, a husky, bearded man, briefly performed as a tango singer because, he said, "I dance like a camel." Every time he hears a tango, he said, it reminds him

of his home in northern Karelia, close to the border with Russia.

Hundreds of instrumentalists and more than 100,000 fans—not insignificant in a country of only 5 million—turn up every summer for the Seinäjoki tango festival, the country's biggest musical event. There will be virtually nonstop dancing through the nights of midnight sun from July 8 to July 12, culminating in the election of a tango king and queen.

"Satumaa," a kind of unofficial national anthem, is one of hundreds of tangos written by Unto Mononen, who took his life in 1968 after a long struggle against alcoholism. Olavi Virta, who died in 1972, was the most popular performer, closely followed by the uncanny-voiced Reijo Taipale. And Carlos Gardel, king of Argentine tango? Most Finns have never heard of him, Polonen said.

Making Beautiful Music Together? Marketing an Operatic Marriage

By Anthony Tommasini
New York Times Service

NEW YORK—Maybe the hysteria and confusion on the London opera scene are contagious, the more so since Sir Colin Southgate, the new chairman of the Royal Opera House, is also the chairman of the recording behemoth EMI. Whatever the reason, Richard Lyttelton, the president of EMI Classics, seems positively giddy over his latest coup.

Roberto Alagna, the highly touted French-born Sicilian tenor, and Angela Gheorghiu, the glamorous Romanian soprano, have signed an exclusive joint contract with EMI, something Lyttelton has been hoping for ever since these attractive singers came to international attention as Rodolfo and Mimì in a 1992 production of Puccini's "La Bohème" at the Royal Opera.

EMI's "creative collaboration" with the two artists, both still in their early 30's, "will form the spearhead of all our recording plans well into the millennium," Lyttelton said recently. This from a label that has contracts with Thomas Hampson, Ruth Ann Swenson and Natalie Dessay, superb singers all in their prime.

But Lyttelton is banking on the young singers' drawing power, especially now that they are married and focusing their careers increasingly on joint appearances in opera and recital. (It is reliably reported that they command \$100,000 a concert.) "The most stellar husband-and-wife team in opera history," Lyttelton calls them, and EMI has devised a Hollywood-

ian promotional campaign for them.

All of this is a matter of intense interest in the classical-music business, especially among executives at Decca/London Records, which held an individual contract with Gheorghiu but failed in a protracted bid to bring Alagna on board. Gregory Barbero, vice president of London Records in New York, says his company, as much as it wanted both artists, would not have ventured a statement like Lyttelton's about plans into the millennium.

"That's the kind of hype that goes on in a record company," Barbero said.

"Together, Alagna and Gheorghiu offer a great marketing hook," Barbero added. "But EMI is following a risky strategy."

If it is a strategy, it is indeed risky. Most listeners who buy complete opera recordings are opinionated, passionate and unlikely to be swayed by promotional hype.

Then, again, Lyttelton may simply have been lavishing easy flattery on the label's hot artists of the moment. His remarks were delivered at a press reception with Alagna and Gheorghiu in New York City, a day after the couple sang in the first performance this season of Gounod's "Romeo et Juliette" at the Metropolitan Opera. As Alagna and Gheorghiu arrived, fashionably late, bulbs flashed, video cameras whirled and visions of profit margins undoubtedly danced in Lyttelton's head.

Alagna has been through a promotional frenzy before and knows that it can quickly dissipate. When he made his Met debut two years ago in "La Bohème,"



Roberto Alagna and Angela Gheorghiu in Donizetti's "L'Elisir d'Amore" at the Lyon National Opera.

EMI mounted a massive and, in retrospect, miscalculated campaign. His picture was on buses and billboards all over New York. No one could have met such expectations, and in fact Alagna, indisposed on the night of the first performance, fell far short. But he recovered in later performances and has continued to garner fans and sell records.

Gheorghiu is newer to the publicity grind. Unlike Alagna, who was largely

self-taught before he burst onto the scene by winning the 1988 Luciano Pavarotti International Competition in Philadelphia, she had a traditional musical background. After conservatory training in Bucharest, careful early pacing led to a breakthrough production of Verdi's "La Traviata" in 1994 at Covent Garden, conducted by Sir Georg Solti and recorded by Decca/London. The company immediately offered her a contract, and her debut solo album sold more than 20,000 copies, an impressive number for a new artist.

Alagna and Gheorghiu, who married in 1996, have undeniable glamour and charisma. But do their vocal gifts warrant such a clamor? Although their earlier work revealed two gifted and potentially

important artists, some recent recordings have been worrisome, including the new EMI recording of "Romeo et Juliette."

On Alagna's debut EMI disk, a program of arias from 1995, he displayed a lyric tenor voice with an exceptionally virile tone and a bright ping in the top range. But since then, he has been unable to resist the temptation of weightier Italian and French roles.

At first, he seemed to know what he was doing. In 1996, he appeared in a production of Verdi's "Don Carlos" (the original French-language, five-act version) at the Theatre du Chatelet in Paris and elsewhere. Many critics predicted disaster in this role, which requires vocal heft and stamina. Alagna delivered a performance that empha-

sized the lyrical, youthful qualities of Verdi's hero.

But a new EMI Verdi disk, with the Berlin Philharmonic conducted by Claudio Abbado, includes arias from roles only Alagna's most ardent fans would wish on him, like Radames in "Aida" and, most implausible, the title role of "Otello." Consistent energy and daring do not hide the drawbacks. To boost his voice, moreover, he sometimes indulges in athletic huffing. And his sound has lost some of its youthful radiance and become a bit grainy.

As Romeo, in the new EMI set, he is more in his element. His performance has vibrancy and an idiomatic sense of French language and style. But here, too, the energy in his singing sounds uncomfortably forced.

Gheorghiu's most exciting work on disk to date remains that Solti "Traviata." Her distinctive sound is dusky in color yet radiant. She uses her voice with agility and brings expressive, though never overwrought, intensity to her interpretation. But her recording of Juliet shows a voice that has slipped noticeably. The microphone does not flatter her sound, which is sometimes tremulous and turns patchy in midrange. Her top notes can be hard-edged.

Many critics and opera buffs wonder whether it is wise for two singers with such different vocal endowments to sing together so often. But in a recent conversation, they defended that practice. Gheorghiu was especially adamant about her choice of tenor. "Excuse me," she said, "but if I have the best at home, I prefer to sing with him."

Alagna added that among singers, working couples are common. "Look at Sutherland and Pavarotti. Callas and Di Stefano. Tebaldi and Del Monaco. Fred Astaire and Ginger Rogers," he said. "You need complicity. The only difference is that we are married. And we are each other's best critics."

BOOKS

THE ANTELOPE WIFE

By Louise Erdrich, 240 pages.
\$24 Harper Flamingo.

Reviewed by
Michiko Kakutani

A HORRIFYING event stands at the center of Louise Erdrich's new novel, "The Antelope Wife." Aggrieved by the collapse of his marriage and his wife's infidelity, a man named Richard Whiteheart Beads tries to commit suicide by running his truck in a closed garage; before the carbon monoxide can take effect, however, he goes back into the house to fix himself a drink and leaves the vehicle running; unbeknownst to him, his 11-year-old daughter, Deanna, has crawled into the back of the truck in hopes of accompanying him on a nighttime drive. She will fall asleep and never wake up.

In the hands of another writer, this episode might seem contrived, melodramatic or willfully perverse, but Erdrich writes with such uncommon emotional precision that she is able to invest such

events with both a harshly palpable reality and a tragic sense of myth. By cutting back and forth in time among several generations of an extended family, she illuminates the ancient roots of the troubles afflicting the Whiteheart Beads clan, while at the same time revealing the rippling aftereffects of Richard's actions on those who loved him.

Readers who have followed Erdrich's own travails—her husband and longtime collaborator, Michael Dorris, committed suicide last year, after a complaint of sexual abuse involving one or more children was filed against him—may well find echoes of her familial difficulties in "The Antelope Wife," but this sort of searching for real-life parallels is quite beside the point. The point is not that Erdrich's fiction, like that of many writers, mirrors some of her own experiences; the point is that "The Antelope Wife" stands as one of her most powerful and fully imagined novels yet.

Though "The Antelope Wife" is marred by occasional patches of overwriting, the

book marks a happy return to the elliptical, dreamlike storytelling of Erdrich's earliest novels ("Love Medicine," "The Beet Queen"). In fact, the schematic glossiness that hobbled "The Crown of Columbus" (the 1991 best-seller she wrote with Dorris) and portions of her 1994 novel, "The Bingo Palace," is nowhere to be found in these pages. Instead, Erdrich has returned to doing what she does best: using multiple viewpoints and strange, surreal tales within tales to conjure up a family's legacy of love, duty and guilt, and to show us how that family's fortunes have both shifted and endured as its members have abandoned ancient Indian traditions for the modern fast-food existence.

Like the characters in "The Beet Queen" (1986) and "Tracks" (1988), the people in this novel inhabit a realm equally grounded in the mundane, Kodachrome world of daily life, and the stark black-and-white world of fable. Richard's estranged wife, Rozin, for instance, is a thoroughly modern woman who is studying to become a lawyer, but she also shares with her lover, Frank, "the legendary deep love" that frightens and unnerves her: "Their love is too powerful, she says, to contain in one place. Their love would explode walls. Fry windows. Jell the concrete."

Rozin blames her adulterous passion for Frank for her daughter's death, and for months she avoids him. For Richard, she feels a volatile mix of hatred, longing, anger and wilted love. Richard, on his part, cannot live with the knowledge that he is responsible for his daughter's death. He begins a drinking binge with his friend Klaus Shawano—whose rage and possess-

iveness have driven away his girlfriend, Sweetheart Calico—and it's not long before the two men have become hopeless drunks, captives of alcohol and their own self-pity.

Intercut with the stories of Rozin and Frank and Richard, and Klaus and Sweetheart, are the stories of their ancestors—stories that are similarly filled with violence and loss and grief, stories that strangely foretell the future and help shape its outcome. Erdrich tells us the story of Rozin's mother and aunt, Zosie and Mary, and their love for the same man, Augustus Roy, who one day mysteriously vanished.

There is a wonderful story about a man who uses his cooking skills to save his own life, and another about a woman who bets her life on a magical necklace of blue beads.

ALL of these characters use their crafts—be it cooking, beadwork or simple reminiscing—to make sense of the world, to imbue it with some sort of meaning.

As one character observes of Zosie and Mary's beadwork: "They are sewing us all into a pattern, into life beneath their hands. We are the beads on the waxed string, pricked up by their sharp needles. We are the tiny pieces of the huge design that they are making—the soul of the world."

As for Erdrich's storytelling powers, they are on virtuosic display in this novel. She has given us a fiercely imagined tale of love and loss, a story that manages to transform tragedy into comic redemption, sorrow into heroic survival. She has given us a wonderfully sad, funny and affecting novel.

—New York Times Service

A Zany Rossini at Paris Opera

By David Stevens
International Herald Tribune

PARIS—In quick succession in 1813, in two different Venetian theaters, the 21-year-old Rossini made himself the king of serious and comic Italian opera, and he kept the throne until he abdicated more than 15 years later.

"L'Italiana in Algeri" was the comic triumph (barely three months after the serious "Tancredi"), and it has just made its zany entry into the repertory of the Paris Opera in a new production at the Palais Garnier.

Comic is not quite an inadequate word. "L'Italiana" draws on the traditions of both opera buffa and commedia dell'arte, and it has its sentimental, exotic and even patriotic moments, but mostly it is inspired lunacy paired with clockwork precision.

As for the plot, Isabella, the Italian girl of the title, is shipwrecked off Algeria and captured by Mustafa, the bey, who plans to marry her and dump his current wife on Lindoro, his Italian slave who is actually Isabella's long-lost lover.

Everything comes out the way it should after Isabella gives Mustafa a lesson in man-management.

But the high points are the ensembles. The Act I finale is an ingenious structure built on nonsense syllables as several characters wander around describing their confused thoughts with ornate, topoeic sounds—din din, bum bum, cra cra, tac tac.

The second act matches that with the famous "Pappataci" ensemble, in which Mustafa is induced into the ancient and noble order of Pappataci, whose goal is to achieve perfect husbandhood by merely eating and keeping quiet.

Jennifer Larmore is a singer of the caliber needed for Isabella, although she was less comfortable in the role's contralto depths than on top, and she seemed more a diligent comedian than a natural one.

She sang the sentimental arias with caressing tone and made the bravura best of "Pensa alla patria," one of Rossini's rare patriotic references.

Bruce Ford's light tenor was attractively deployed as Lindoro, Simone

Alaimo (Mustafa) and Alessandro Corbelli (Taddeo) made a pair of expert comic basses, while Anthony Smith seized his chance with Haly's ode to Italian women. Jeannette Fischer and Maria Jose Trullu rounded out the solo ensemble as wife No. 1 and her servant.

Andrei Serban's staging was not lacking in zainess and Bruno Campanella's conducting had plenty of idiomatic zest, but in a comic work in which ensemble counts for so much there were too many moments when clockwork precision and stage-pit coordination seemed to be lacking.

Marina Draghici has had some fun with the sets, notably with the opening shipwreck, accompanied by a huge image of a sinking liner looking suspiciously like the Titanic. Her costumes included plastic body appendages that gave the eunuchs identically huge abdomens while building up the shoulders of another choral group whose pinstripe suits and fedoras suggested gangsters rather than slaves.

The current run includes nine more performances, through May 2.

BEST SELLERS

The New York Times			
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.			
FICTION			
Week	Title	Last Week's Rank	Weeks on List
1	THE STREET LAWYER, by John Grisham	1	7
2	PANDORA by Anne Rice	2	2
3	PARADISE, by Toni Morrison	3	11
4	COLD MOUNTAIN, by Charles Frazier	4	34
5	HOMECOMING, by Nora Roberts	5	1
6	MEMOIRS OF A GESSHA, by Arthur Golden	6	21
7	BLOOD WORK, by Michael Connelly	7	5
8	SINGING IN THE COMEBACK CHAIR, by Bebe Moore Campbell	8	2
9	BLACK AND BLUE, by Anne Quindlen	9	7
10	SUDDEN MISCHIEF, by Ruth B. Parker	10	11
11	AN INSTANCE OF THE FINGERPOST, by John Updike	11	1
12	MIRACLE CURE, by Michael Palmer	12	9
13	GUILTY PLEASURES, by Lawrence Sanders	13	10
14	THRILL, by Jackie Collins	14	8
15	THE SMITHSONIAN INSTITUTION, by Gore Vidal	15	1
NONFICTION			
1	TALKING TO HEAVEN, by Lance Van Praagh	1	13
2	ANGELA'S ASHES, by Frank McCourt	2	3
3	SPIN CYCLE, by Howard Karp	3	8
4	TUESDAYS WITH MORRIE, by Mitch Cullin	4	24
5	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	5	63
6	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Grisham	6	194
7	INTO THIN AIR, by Jon Krakauer	7	48
8	THE LONG ROAD OUT OF HELL, by Marilyn Stanson with Neil Stanson	8	6
9	THE MAN WHO LISTENS TO HORSES, by Michael Dorris	9	33
10	CONVERSATIONS WITH GOD, Book 1, by Neale Donald Walsch	10	12
11	TITANIC, Legacy of the World's Greatest Shipwreck, by Susan Wise	11	10
12	THE PERFECT STORM, by Sebastian Junger	12	43
13	JAMES CAMERON'S TITANIC, by Ed W. March	13	9
14	THE RAPE OF NANKING, by Iris Chang	14	10
15	A HISTORY OF THE AMERICAN PEOPLE, by Paul Johnson	15	1
ADVICE, HOW-TO AND MISCELLANEOUS			
1	THE 9 STEPS TO FINANCIAL FREEDOM, by Suze Orman	1	1
2	SIMPLE ABUNDANCE, by Sami Ben-Bachrach	2	104
3	DON'T WORRY MAKE MONEY, by Richard Carlson	3	15
4	EAT RIGHT 4 YOUR TYPE, by Peter J. D'Adamo with Catherine Whitney	4	4

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13 Lamb alias
17 1981 drama starring Treat Williams
20 D.C. dignitary
21 Prelim
22 Slip cover?
23 "jolly swagman" ("Waltzing Matilda" start)
24 Soul, in Solosons

DOWN

25 Spenser opus
26 It's right in the atlas
27 It may be proper
28 Frequent Powell co-star
29 Dalloway or Doubtfire
30 XXX drink, in the comics
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40 Lily and Co.
41 Princess tormentor
42 Kind of dancer
44 Arabian Sea nation

13 is beneficial
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53 "no idea!"
54 Play the pawnbroker
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Solution to Puzzle of April 7

AMOS CARAT AMAS
ABBE AMANA MOLT
BROADWAY DISPLAY
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BOOKIESOFFERING
ABBE CANOE INCA
ROBS OTTER OXEN

The Contrasting Styles Of Citigroup's Co-Chiefs

Success Depends on Their Ability to Cooperate

By Saul Hansell
and Leslie Wayne
New York Times Service

NEW YORK — The two men who will run the financial powerhouse that is Citicorp and the Travelers Group could hardly be more different.

Sanford Weill, the chairman of Travelers and the son of Polish immigrants, is the consummate insider, a doer who combines Brooklyn street smarts and Wall Street savvy, and whose office decor always includes a fireplace (despite his reputation for frugality). He surrounds himself with loyalists and easily makes friends in high places.

John Reed, the chairman of Citicorp, is an engineer by training and an in-

INTERNATIONAL MANAGER

ternationalist by preference, a private man with an international background who once installed a Japanese rock garden in his office. He is more at home with technology than people, and chooses turmoil over constancy in management.

On Monday, the two men said they had agreed on the merger of their companies, creating Citigroup, the world's largest financial-services company with a market value of roughly \$140 billion.

In so doing, they have taken the extremely rare step of declaring themselves equal chief executives, instead of appointing one as the ruler. That means these two men, so used to running their own shows on their own terms, will have to work well together if the largest merger in history is to succeed.

"I think we must work effectively together, and most importantly, be seen by our people to be working together," Mr. Reed said. "It's like Mom and Dad in one house. If they differ on a single question, the kids know how to exploit it very well."

Yes, Mr. Weill agreed, the main task will be "convincing people the enemy is our competitors and not each other."

Their reactions to the deal only underscored the contrast in their approaches. As Mr. Reed talked in a meeting with reporters about electronics and platforms and consumer brands, Mr. Weill kept calculating the value the stock market was placing on Travelers in the wake of the deal. "Eighty-four billion,"

he marveled. "Eighty-four billion."

The two men have taken opposing public stances on the question of regulating the financial-services industry. Mr. Weill supports legislation under consideration in the House of Representatives, while Mr. Reed has opposed it. Asked about that difference of opinion, Mr. Weill replied, "He's changed his mind — let me answer that for him."

The merger was clearly Mr. Weill's idea. Six months ago, his company, which already owned the brokerage firm Smith Barney, bought Salomon Brothers, the big investment bank.

Mr. Weill had "decided to build the greatest financial-services company in the history of this country and in the history of the world," said Joseph Califano, the former head of U.S. Department of Health, Education and Welfare and a member of the Travelers board.

But Salomon did not add enough to the company to fill his ambition, so Mr. Weill continued to prowl for acquisitions — with no success. He was rebuffed by Goldman, Sachs & Co., J.P. Morgan & Co. and Bankers Trust Co.

He approached Mr. Reed five weeks ago, when both men were attending a meeting of corporate executives known as the Business Council in Washington. Mr. Weill gave Mr. Reed a note with his room number at the Park Hyatt and asked to meet with him there. Mr. Reed said he had "no idea" what it was about.

And when Mr. Weill popped the question? "My instinct was to say, 'Why not?'" Mr. Reed said.

Details of the merger remain sketchy — it was put together swiftly and without the help even of Mr. Weill's in-house investment bankers. The two executives plan to stay at the helm for at least 18 months, Mr. Reed said, before addressing questions about succession. The fate of their top subordinates is unclear. But, they said, all directors who also hold executive posts will be kicked off the new board, including Deryck Maughan, the former head of Salomon, and James Dimon, the president of Travelers and Mr. Weill's long-time right-hand man.

Merger of Responsibilities

Sharon Walsh of The Washington Post reported from New York:

In an interview, the two men said that

See LEADERS, Page 15

The Two Who Made the Deal

Sanford Weill, the chief executive of Travelers Group, led several companies before he started assembling his financial services giant roughly a decade ago. John Reed, Citicorp's chief executive, has been with the banking company since 1985.



Sanford Weill

BORN March 1933
JOB HISTORY
1986 Hired as chief executive of the Commercial Credit Co.
Acquired Travelers in 1993 and Salomon Brothers in 1997.
1983-85 President of the American Express Co.
1986-87 Chief executive of Shearson Loeb Rhoades and its predecessors. American Express acquired it in 1981.
BOARDS
Chairman, Carnegie Hall Board of Trustees; member of the boards of directors of New York Hospital, Cornell University Medical College, Memorial Sloan-Kettering Cancer Center
EDUCATION Cornell University
Source: Company reports

John Reed

BORN February 1939
JOB HISTORY
1984 Promoted to chief executive of Citicorp
1982 Promoted to vice chairman
1975 Put in charge of development of ATMs and other consumer electronic products
1968-84 Chief executive of Shearson Loeb Rhoades and its predecessors. American Express acquired it in 1981.
BOARDS
On the boards of Monsanto; Philip Morris, Telefonía Internacional de España, MIT, Memorial Sloan-Kettering Cancer Center, Spencer Foundation
EDUCATION Joint bachelor's degree from Washington & Jefferson and MIT; master's degree from MIT
Source: Company reports

Xerox to Cut 9,000 Jobs In Drive to Go Digital

Firm to Take \$1 Billion Charge to Cover Costs

Compiled by Our Staff From Dispatches

STAMFORD, Connecticut — Xerox Corp. said Tuesday it would cut 9,000 jobs, close plants and streamline operations in a restructuring meant to strengthen its position in the rapidly growing business of digital copiers and printers.

Xerox will take an after-tax charge of about \$1 billion against second-quarter earnings to cover one-time costs of the moves. The company's shares initially rallied but closed at \$106.6825, down \$1.4375.

The job cuts amount to just under 10 percent of the company's worldwide work force of 91,400.

Xerox said the cuts would be made through a combination of attrition, early retirement and layoffs. About half the jobs will be cut from the United States and half from Europe.

Xerox, which only recently had been adding jobs, is trying to strengthen sales of futuristic digital copiers without devastating sales of old-technology models still used in most offices.

Xerox is trying to lure customers from Hewlett-Packard Co., which has lower operating costs that give it an advantage in the growing market for inexpensive and medium-priced printers and copiers.

Xerox's new president, Richard Thoman, also wants to free up money so the company can beef up its high-margin business of servicing and linking office equipment to computers, analysts said.

"They brought in Thoman to reduce

costs at Xerox, which historically have been a little high," said David Graham, the research director at Palley-Needelman Asset Management. "It was necessary and we're glad to see it."

The company had a 20 percent jump in profit last year, helped by strong sales of its new family of digital black-and-white copiers. Digital equipment now makes up more than 40 percent of the company's sales.

Xerox said it also planned to streamline worldwide manufacturing, logistics, distribution and service operations.

To improve productivity, the company said it would overhaul its administrative processes. One of its four U.S. customer administrative centers will be closed, and the other three centers will be refocused by customer segment. It did not identify the center being closed.

Xerox said that within three to four years, it expected to save \$1 billion annually from the initiatives.

This is the second major job reduction at Xerox in the last five years. From 1993 to 1995, the company eliminated about 12,000 jobs to cut costs and improve efficiency.

During the last two years, the company has added 4,000 jobs. Xerox's sales last year totaled \$18.2 billion, or about \$199,000 per employee.

Hewlett-Packard generated \$352,000 in sales for each of its workers, for a total of \$42.9 billion in the fiscal year ended October 1997.

(AP, Bloomberg)

Bank Merger Puts Pressure on U.S. to Change Laws

By Jill Dutt and John M. Berry
Washington Post Service

WASHINGTON — The proposed merger of Citicorp and Travelers Group puts the powerful strategic vision of the dominant U.S. financial concerns on a collision course with the decades-old regulatory philosophy of the federal government.

The outcome is impossible to predict, analysts said. Either federal policy to financial institutions will adapt to the competitive realities of the 21st cen-

tury, or the new Citigroup will be forced to abandon a large portion of its strategy of providing a global supermarket for financial services.

"Tomorrow is suddenly here," said John Duncan, a partner at the law firm of Jones, Day, Reavis & Pogue. "Instead of talking about the emergence of the global universal bank, we're talking about it being here — and in the U.S., and not just in Switzerland."

Congress has spent decades in fruitless wrangling over how to modernize the nation's Depression-era laws that

require strict separation among banks, securities firms and insurance companies. Last week, House leaders withdrew a bill supported by the Banking Committee chairman, Jim Leach, that attempted to tear down those walls, after colleagues made it clear that it would not pass. Mr. Leach, a Republican from Iowa, said he would try again.

For Citigroup to become a true global firm that sells insurance, accepts deposits, sells stock and manages investments, Congress will need to significantly alter the 1933 Glass-Steagall Act and the 1956

Bank Holding Company Act.

"The Citicorp-Travelers merger underscores the fact that developments in the marketplace are rapidly overtaking outdated laws and regulations," a spokesman for Merrill Lynch & Co. said. "It highlights the need for Congress to act swiftly to modernize laws governing the financial system."

Citicorp, a federally chartered bank holding company, would have been on shaky legal ground if it had applied to its

See RULES, Page 15

Financial Sector Sees 2 New Linkups

Conseco to Acquire Green Tree, and Household to Purchase Beneficial

Compiled by Our Staff From Dispatches

NEW YORK — Consolidation in the financial industry continued Tuesday as Conseco Inc. announced it was buying Green Tree Financial Corp. for \$7.6 billion and Household International Inc. said it would buy Beneficial Corp. for \$8.6 billion.

The announcements came only a day after Citicorp, America's second-biggest banking company, agreed to merge with the financial-services concern Travelers Group for about \$70 billion in what would be the biggest corporate combination on record.

The insurance provider Conseco and Green Tree said their stock deal would create a company with more than 11 million customers and a market valuation of more than \$20 billion.

Stephen Hilbert, Conseco's chairman, president and chief executive, said the deal diversified its sources of revenue and profit, gave it more ways to sell insurance and solidified its "middle America" consumer franchise.

Buying Green Tree allows Conseco to expand into consumer finance. "The financial-services industry is converging rapidly," and buying Green Tree "opens up several new, higher-growth markets," Mr. Hilbert said.

The purchase also helps Conseco grow a year after Mr. Hilbert said he expected growth through acquisitions to slow.

Mr. Hilbert said Larry Coss, who founded Green Tree in 1975, would continue as Green Tree's chairman and

chief executive officer.

Conseco, based in Carmel, Indiana, has more than 9 million policyholders and is one of the leading providers of health and life insurance and retirement annuities.

Green Tree is a leading lender for mobile homes and provides other loans to both consumers and businesses through 200 offices across the country. It will continue to operate from its existing headquarters in St. Paul, Minnesota.

On the New York Stock Exchange, Conseco's shares tumbled \$7.875 to close at \$49.875, while Green Tree jumped \$10 a share to end at \$39.

But some analysts said Conseco was paying too much.

"The market doesn't like this deal," said Cathy Seiffer, a Standard & Poor's Corp. analyst. The purchase is "a departure from Conseco's strategy" of selling life and health insurance and annuities, she said.

Mr. Hilbert built Conseco using his stock to snap up rivals, purchasing 19 companies in the past 16 years.

Last year, he said that acquisitions would slow because insurers were becoming too expensive, forcing his company to focus on increasing its insurance profit.

The deal, which has been approved by the boards of both companies, is subject to approval by their shareholders and by regulators.

Green Tree stockholders will own approximately 38 percent of the com-

bined company. Under terms of the agreement, each of Green Tree's common shares will be converted into 0.9165 of a share of Conseco common stock, the companies said.

The transaction is expected to be completed in the third quarter.

In another takeover announced Tuesday, Household International agreed to buy Beneficial for more than \$8.6 billion, the companies said, removing one of its main consumer finance competitors.

Firm M.W. Caspersen, chief executive of Beneficial, will be chairman of the combined company.

Household, based in Prospect Heights, Illinois, expects to take a \$1 billion charge when the transaction closes. The acquisition is expected to add to Household's earnings in 1999.

The purchase, which requires shareholder and regulatory approval, is expected to close in the third quarter.

"Beneficial is definitely extracting its pound of flesh in terms of price," said Mark Dawson, a senior portfolio manager at Rainier Investment Management, which owns about 550,000 Household shares. Still, "it is a great purchase for Household," he said.

Beneficial said Feb. 17 it was exploring a possible sale and other options to lift its share price. Beneficial shares rose 37 percent that day.

Beneficial shares were quoted at \$5.75 in late trading at \$136.25, while Household shares were off \$8.25 at \$138.50. (AP, Bloomberg)

CURRENCY & INTEREST RATES

April 7									
Cross Rates									
	\$	£	DM	¥	₹	₹	₹	₹	₹
Australia	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Canada	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
France	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Germany	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Italy	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Japan	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
UK	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Other Dollar Values									
Argentina	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Brazil	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Canada	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
France	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Germany	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Italy	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Japan	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
UK	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Forward Rates									
30-day	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
60-day	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
90-day	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
180-day	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
360-day	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49

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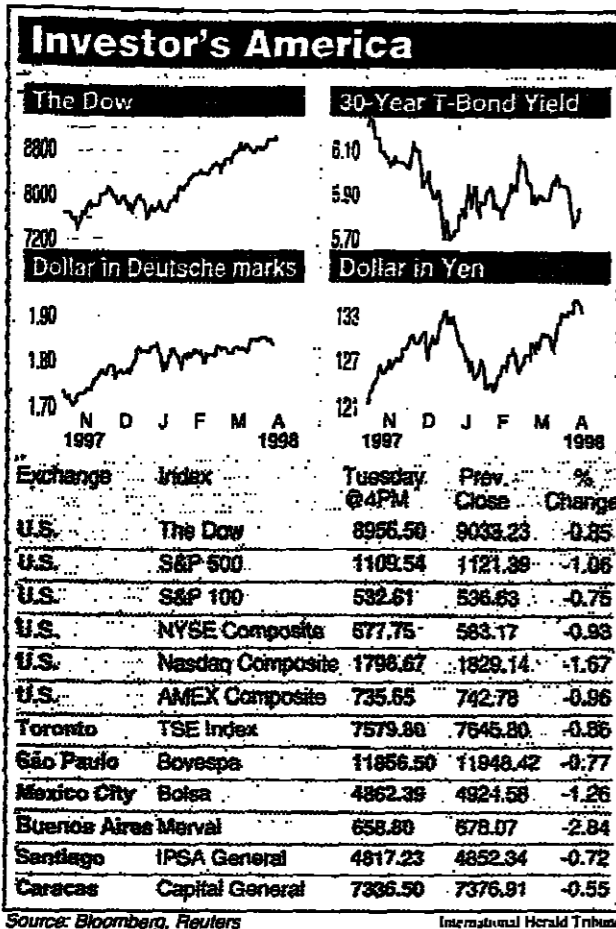
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Yen Rises Amid Talk of 'Bold' Action

Bloomberg News
NEW YORK — The dollar fell against other major currencies Tuesday amid expectations Japan would take decisive steps to bolster its flagging economy and amid a better-than-expected German unemployment report.

The dollar lost ground against the yen after Prime Minister Ryutaro Hashimoto said Japan would soon take "bold" steps to lift the economy, and some traders expected the measures to include income-tax cuts.

Concern that Japan may sell some of its \$224 billion in foreign-currency reserves to prop up the yen also hurt the U.S. currency, investors said.

"Concern about intervention is always there," said Sykes Wilford, a fund manager at CDC Investment Management. "Look at how many billions of dollars they have in reserves, so they can play any game they want."

The dollar fell to 133.480 yen in 4 P.M. trading from 134.705 yen Monday. It also fell to 1.8373 Deutsche marks from 1.8406 DM amid signs Germany's economy might be emerging from a six-year slump as data showed that unemployment had declined.

"We've seen some slightly stronger German data in the last few days, and that's given the mark a lift," said Gerard Lyons, chief economist at DKB International in London, though he sees the dollar rising against the mark in the second quarter.

"German unemployment wasn't quite as bad as people expected," Mr. Wilford said. Still, he said, "people are going to realize the U.S. and Europe are in different places. The bottom line is, Germany has to keep interest rates where they are."

Against other currencies, the dollar fell to 1.5242 Swiss francs from 1.5269 francs and to 6.1620 French francs from 6.1750 francs. The pound rose to \$1.6674 from \$1.6630.

Mr. Hashimoto is expected to hold a news conference Wednesday or Thursday, government officials said. He last held a special news conference Dec. 17, when he announced an income-tax reduction amounting to 2 trillion yen (\$148 billion).

The prime minister is under pressure at home and abroad to cut taxes to revive the economy, which economists estimate shrank 0.2 percent in the fiscal year through March.

U.S. Airlines Weigh Alliance Options

By Frank Swoboda
Washington Post Service

WASHINGTON — The U.S. airline industry is on the verge of a new round of consolidation, as a number of airlines are looking for ways to create a handful of dominant domestic airlines, industry sources say.

The partnership proposed in January between Continental and Northwest Airlines — the first domestic alliance in the U.S. industry — has triggered discussions among the remaining major airlines, which are trying to strengthen their positions.

A marketing alliance would allow two airlines to act in some ways as a single carrier, sharing schedules and even profits in what amounts to a virtual merger without the financial and employment consolidations of an actual corporate marriage. The airlines thereby avoid the capital expenditures required to extend their routes into each other's territory.

USAirways and Delta Airlines are central players in the round of talks under way. The two airlines control most of the traffic on the East Coast, serving as feeders for the profitable transcontinental and overseas flights of other carriers, such as United and American.

The rush to find partners developed so suddenly that few ana-

Motorola Cuts Short Stocks' Record Run

Compiled by Our Staff From Dispatches
NEW YORK — Stocks fell sharply Tuesday as a discouraging outlook from Motorola aggravated lingering profit worries a day after the Dow Jones industrial average closed above 9,000 points for the first time.

Motorola lowered its estimate for semiconductor industry sales growth by about half — intensifying concern that earnings from other companies will fall short of expectations.

"The market is still perceived as being strong, but technology shares have been in the vanguard," said John Niedenberger, a money manager with Advanced Investment Management in Pittsburgh.

"Anything that threatens them is seen as trouble."

The Dow Jones industrial average closed 76.73 points lower at 8,956.50 after ending at a record 9,033.23 on Monday. The Standard & Poor's 500 Index dropped 1.85 to 1,109.54, and the Nasdaq composite index fell 30.47 to 1,798.67.

"I am fearful we are going to see more and more pronounced warnings for next quarter," Peter Cardillo, director of research at Redfish Investments, said.

Several major companies, particularly in the computer industry, have forecast that first-quarter earnings and sales will fall short of Wall Street expectations.

Semiconductor companies fell the most after Motorola said computer-chip industry sales would grow between 6 percent and 8 percent this year. It previously forecast a 13 percent to 15 percent increase.

The maker of computer chips and wireless phone equipment also said first-quarter earnings had plunged 45 percent and warned that it expected prices for products sold in Asia to fall further because of poor economic conditions there.

Motorola reported first-quarter earnings of \$180 million, down from

\$325 million in the like 1997 period. Sales rose 4 percent to \$6.9 billion. Motorola fell 6 1/2 to 53 1/2. Intel declined 1 1/2 to 72 1/2, and Microsoft dropped 2 1/2 to 87 1/2.

Citicorp fell 1 1/2 to 165 1/2 and Travelers Group declined 4 1/2 to 68 1/2 a day after they announced a stock swap to form the world's biggest financial company. But many traders saw announcements of more mergers as a bullish sign.

"It's another indication that there will be more consolidation in various industries," said Doug Myers, a vice president and trader at Interstate/Johnson Lane in Atlanta. American depositary receipts of British Petroleum rose 1 1/2 to 88 1/2 after it said it planned to buy back \$2 billion of its own shares next year and expected to lift its profit by 50 percent by 2002.

Du Pont rose 4 1/2 to 72 1/2 to 72 1/2 as it plans to reorganize to focus on agricultural, biotechnology and pharmaceutical businesses.

In the bond market, U.S. bonds

were little changed as investors sought more signs the economy was losing steam.

"I don't think we see a major definitive move down in yields from here without a significant sign of weakness," said Steven Merrell of American Express Asset Management. The benchmark 30-year Treasury bond fell 6/32 to 104 1/32, taking the yield up to 5.84 percent from 5.82 percent Monday.

Separately, Edward Yardeni and Deborah Johnson, economists at Deutsche Morgan Grenfell, are predicting far lower Treasury yields in the coming two years, indicating that they see this as a good time to buy bonds. In a report dated Friday, they forecast that the yield on the 30-year issue would fall to 5 percent this year, 4 percent in 1999 and 3 percent in 2000. Their analysis cited falling commodity prices and "deflationary winds" from Asia. They also predicted a slowdown in U.S. economic growth.

(AP, Bloomberg, Reuters)

Very briefly:

- Blackstone Hotel Acquisitions Co. agreed to buy Savoy Hotel PLC for \$520 million (\$863 million), giving the U.S. investment company control of four of London's most famous hotels. Savoy hotels include Claridge's, the Berkeley and the Connaught in London, as well as the Lygon Arms in the Cotswolds region of England.
- Wachovia Corp. plans to make acquisitions in the Southeastern states that would raise its asset size 54 percent to about \$100 billion by 2000. Its chief executive officer, L.M. Baker Jr., said Wachovia, a bank holding company based in Winston-Salem, North Carolina, made acquisitions in Virginia and Florida last year and wanted to expand further in those states.
- Intel Corp. is investing in closely held Quokka Sports and will help the company develop ways to deliver sports-related content over high-speed connections. Quokka said.
- Price Waterhouse added 150 partners to its U.S. offices and 142 partners in Europe, a record increase. The accounting and consulting concern, which is preparing to merge with Coopers & Lybrand LLP, now has about 1,200 U.S. partners.
- Boeing Co. named Richard James president of Boeing Europe. Mr. James, who will work from the aerospace giant's European headquarters in Brussels, will be the company's top executive in Europe, the company said. Mr. James had been Boeing's vice president for commercial business development in the United States since May 1996.

Staples to Buy an Internet Retailer

Bloomberg News
WESTBOROUGH, Massachusetts — Staples Inc. agreed Tuesday to buy closely held Quill Corp. for about \$685 million in stock to increase its sales of office supplies to businesses through the Internet.

Quill had 1997 sales of \$550 million. Staples's contract and commercial business, which delivers office supplies to businesses, had sales of about \$1 billion, or 20 percent of the total.

AMEX

Tuesday's 4 P.M. Close
 The 300 most traded stocks of the day, up or down on Wall Street.
 The Associated Press.

Stock	Sales	High	Low	Last	Chg
IBM	1,234,567	125.50	124.25	124.75	+0.50
Microsoft	987,654	52.00	51.25	51.50	+0.25
Apple	876,543	45.00	44.50	44.75	+0.25
Oracle	765,432	38.00	37.50	37.75	+0.25
Sun	654,321	32.00	31.50	31.75	+0.25
HP	543,210	28.00	27.50	27.75	+0.25
Intel	432,109	25.00	24.50	24.75	+0.25
Motorola	321,098	22.00	21.50	21.75	+0.25
IBM	210,987	18.00	17.50	17.75	+0.25
Microsoft	109,876	15.00	14.50	14.75	+0.25
Apple	98,765	12.00	11.50	11.75	+0.25
Oracle	87,654	10.00	9.50	9.75	+0.25
Sun	76,543	8.00	7.50	7.75	+0.25
HP	65,432	6.00	5.50	5.75	+0.25
Intel	54,321	4.00	3.50	3.75	+0.25
Motorola	43,210	3.00	2.50	2.75	+0.25
IBM	32,109	2.00	1.50	1.75	+0.25
Microsoft	21,098	1.00	0.50	0.75	+0.25
Apple	10,987	0.50	0.25	0.375	+0.125
Oracle	9,876	0.25	0.125	0.1875	+0.0625
Sun	8,765	0.125	0.0625	0.09375	+0.03125
HP	7,654	0.0625	0.03125	0.046875	+0.015625
Intel	6,543	0.03125	0.015625	0.0234375	+0.0078125
Motorola	5,432	0.015625	0.0078125	0.01171875	+0.00390625
IBM	4,321	0.0078125	0.00390625	0.005859375	+0.001953125
Microsoft	3,210	0.00390625	0.001953125	0.0029296875	+0.0009765625
Apple	2,109	0.001953125	0.0009765625	0.0014453125	+0.00048828125
Oracle	1,098	0.0009765625	0.00048828125	0.00072265625	+0.000244140625
Sun	987	0.00048828125	0.000244140625	0.00036171875	+0.0001220703125
HP	876	0.000244140625	0.0001220703125	0.000180859375	+0.00006103515625
Intel	765	0.0001220703125	0.00006103515625	0.0000904296875	+0.000030517578125
Motorola	654	0.00006103515625	0.000030517578125	0.0000227046875	+0.0000076171875
IBM	543	0.000030517578125	0.0000152587890625	0.00001135234375	+0.00000380859375
Microsoft	432	0.0000152587890625	0.00000762939453125	0.00000566625	+0.000001904296875
Apple	321	0.00000762939453125	0.000003814697265625	0.000002833125	+0.0000009521484375
Oracle	210	0.000003814697265625	0.0000019073486328125	0.0000014165625	+0.00000047607421875
Sun	109	0.0000019073486328125	0.00000095367431640625	0.00000070828125	+0.000000238037109375
HP	98	0.00000095367431640625	0.000000476837158203125	0.000000354140625	+0.000000119018546875
Intel	87	0.000000476837158203125	0.0000002384185791015625	0.0000001770703125	+0.0000000595092734375
Motorola	76	0.0000002384185791015625	0.00000011920928955078125	0.00000008853515625	+0.00000002975463671875
IBM	65	0.00000011920928955078125	0.000000059604644775390625	0.000000044296875	+0.000000014877319375
Microsoft	54	0.000000059604644775390625	0.0000000298023223876953125	0.0000000221484375	+0.000000007438671875
Apple	43	0.0000000298023223876953125	0.00000001490116119384765625	0.00000001107421875	+0.0000000037193359375
Oracle	32	0.00000001490116119384765625	0.000000007450580596923828125	0.000000005537109375	+0.000000001859672890625
Sun	21	0.000000007450580596923828125	0.0000000037252902984619140625	0.0000000027735546875	+0.0000000009298364453125
HP	10	0.0000000037252902984619140625	0.000000001862645149230703125	0.00000000138677734375	+0.00000000046491821875
Intel	9	0.000000001862645149230703125	0.0000000009313225746153515625	0.000000000693388671875	+0.000000000232459109375
Motorola	8	0.0000000009313225746153515625	0.0000000004656612873076953125	0.0000000003475415625	+0.0000000001162295546875
IBM	7	0.0000000004656612873076953125	0.00000000023283064365384765625	0.000000000173770703125	+0.00000000005811484375
Microsoft	6	0.00000000023283064365384765625	0.000000000116415321826923828125	0.0000000000868853515625	+0.000000000029059671875
Apple	5	0.000000000116415321826923828125	0.0000000000582076609134619384765625	0.0000000000434296875	+0.0000000000145298359375
Oracle	4	0.0000000000582076609134619384765625	0.00000000002910383045673096923828125	0.00000000002171484375	+0.00000000000726491796875
Sun	3	0.00000000002910383045673096923828125	0.000000000014551915228365484619384765625	0.00000000001086234375	+0.000000000003632458984375
HP	2	0.000000000014551915228365484619384765625	0.00000000000727595761418273096923828125	0.000000000005421171875	+0.0000000000018162294921875
Intel	1	0.00000000000727595761418273096923828125	0.00000000000363797880709134619384765625	0.00000000000271588671875	+0.00000000000090811484375
Motorola	0	0.00000000000363797880709134619384765625	0.000000000001818989403545673096923828125	0.000000000001358942875	+0.000000000000454057421875

U. S. STOCK MARKET DIARY

Index	High	Low	Last	Chg
Dow Jones	8956.50	8933.23	8956.50	-0.85
S&P 500	1109.54	1101.89	1109.54	-1.06
Nasdaq	1798.67	1829.14	1798.67	-1.67
AMEX	735.55	742.78	735.55	-0.96
TSE	7579.80	7645.80	7579.80	-0.86
Bovespa	11856.50	11948.42	11856.50	-0.77
Bolsa	4862.35	4924.58	4862.35	-1.26
Merval	658.80	678.07	658.80	-2.84
IPSA	4817.23	4852.94	4817.23	-0.72
Capital	7366.50	7376.81	7366.50	-0.55

Most Active	High	Low	Last	Chg
IBM	125.50	124.25	124.75	+0.50
Microsoft	52.00	51.25	51.50	+0.25
Apple	45.00	44.50	44.75	+0.25
Oracle	38.00	37.50	37.75	+0.25
Sun	32.00	31.50	31.75	+0.25
HP	28.00	27.50	27.75	+0.25
Intel	25.00	24.50	24.75	+0.25
Motorola	22.00	21.50	21.75	+0.25
IBM	18.00	17.50	17.75	+0.25
Microsoft	15.00	14.50	14.75	+0.25
Apple	12.00	11.50	11.75	+0.25
Oracle	10.00	9.50	9.75	+0.25
Sun	8.00	7.50	7.75	+0.25
HP	6.00	5.50	5.75	+0.25
Intel	4.00	3.50	3.75	+0.25
Motorola	3.00	2.50	2.75	+0.25
IBM	2.00	1.50	1.75	+0.25
Microsoft	1.00	0.50	0.75	+0.25
Apple	0.50	0.25	0.375	+0.125
Oracle	0.25	0.125	0.1875	+0.0625
Sun	0.125	0.0625	0.09375	+0.03125
HP	0.0625	0.03125	0.046875	+0.015625
Intel	0.03125	0.015625	0.0234375	+0.0078125
Motorola	0.015625	0.0078125	0.01171875	+0.00390625
IBM	0.0078125	0.00390625	0.005859375	+0.001953125
Microsoft	0.00390625	0.001953125	0.0029296875	+0.0009765625
Apple	0.001953125	0.0009765625	0.0014453125	+0.00048828125
Oracle	0.0009765625	0.00048828125	0.00072265625	+0.000244140625
Sun	0.00048828125	0.000244140625	0.00036171875	+0.0001220703125
HP	0.000244140625	0.0001220703125	0.000180859375	+0.00006103515625
Intel	0.0001220703125	0.00006103515625	0.0000904296875	+0.000030517578125
Motorola	0.00006103515625	0.000030517578125	0.0000227046875	+0.0000076171875
IBM	0.000030517578125	0.0000152587890625	0.00001135234375	+0.0

EUROPE

U.K. Group To Buy Unit Of Sara Lee

LONDON — Imperial Tobacco Group PLC agreed Tuesday to buy Sara Lee Corp.'s U.K. unit for £2.25 billion (\$3.6 billion), making the British company No. 1 in the growing market for hand-rolled tobacco.

The purchase gives Imperial — the maker of John Player Special and Lambert & Butler cigarettes — a dominant position in the European roll-your-own market, which has grown as cigarette sales have stagnated. Imperial shares rose 28 pence, or 6.5 percent, to close at 458. Sara Lee was trading late in the day in New York at \$63.37, up \$1.37.

Imperial, spun off by Hanson PLC in 1996, has tried to grow outside Britain, where rising tobacco taxes have hit cigarette sales, and the Douwe Egberts purchase will make it the top hand-rolled tobacco seller in markets including the Netherlands and Australia.

Imperial, which owns Britain's market-leading Golden Virginia brand of hand-rolling tobacco, will acquire the Drum and Van Nelle brands and raise its share of the worldwide hand-rolled market from 5 percent to 32 percent, Gareth Davies, Imperial chief executive, said.

Sara Lee, meanwhile, leaves a business that is under regulatory pressure to focus on products such as cakes and Champion sportswear.

"Sara Lee has been looking to get out for a while, and it's a very good fit for Imperial," said Jonathan Fell, an analyst at Merrill Lynch. Hand-rolling tobacco, he said, "is an area where they already have expertise."

Imperial will not buy Douwe Egberts' small U.S. unit, which makes up less than 3 percent of its sales, and Sara Lee said it would close that unit by July 1. Imperial is to pay Sara Lee an initial \$370 million in cash, followed by annual payments totaling about \$710 million.

Bonn Rejects Telekom Fee Policy

Compiled by The Staff From Dispatches

BONN — Defending Germany's newly open telephone market, government regulators rejected Tuesday a fee that Deutsche Telekom AG, the former monopoly, wanted to charge customers who switch to its rivals.

Telekom had proposed a one-time charge of 49 Deutsche marks (\$26.62) for households that change to another company but want to keep their phone number.

Klaus-Dieter Scheuerle, head of the telecommunications regulatory agency, denied the request, saying that customers are entitled to use their phone number in the same way they are entitled to use their street address.

He said the expected Telekom to challenge the ruling in court.

Telekom has been hit with setbacks since the German market for household phone service opened to competition on Jan. 1.

Last month, regulators rejected a Telekom plan to charge competing telephone companies 28.80 DM a month for each line to a household customer.

Hours before the ruling Tuesday, Telekom scaled back a proposal for a fee of 49 DM for households that use another company only for long-distance calls, Mr. Scheuerle said.

He said Telekom had been unable to "convincingly explain" its calculation of that levy.

The new plan calls for the one-time fee to start at 49 DM but drop to 20 DM by 2000. It was unclear when regulators would rule on it.

"Deutsche Telekom is unlikely in that just when it's finished paying these massive amounts in building up its East German network, competition comes along," said Guy Pebody, an analyst at Bear Stearns.

Competitors such as Mannesmann AG, a joint venture led by Mannesmann AG and Otelet, a joint venture of RWE AG and VEBA AG, have said that the fees Deutsche Telekom wants to levy have confused consumers. The fee should be only 5 to 10 DM, in line with U.S. rates, rivals say.

Deutsche Telekom argues that it should not subsidize competitors and that the fee is justified because of its investment to upgrade Germany's telephone network, particularly in Eastern Germany.

(AP, Bloomberg)

BP Says Net Will Grow 50% by 2002

Compiled by The Staff From Dispatches

LONDON — British Petroleum PLC said Tuesday it planned to repurchase \$2 billion of its shares next year and would increase profit by 30 percent by 2002 even if oil prices did not recover from their recent slump.

Europe's second-biggest oil company, behind Royal Dutch/Shell Group, first signaled its intention to make a share repurchase in August, though until Tuesday it did not say how much the plan would cost.

The new goals, unveiled in a briefing to analysts, underscored the strength of BP's finances even after a 36 percent fall in crude oil prices since October.

The improved BP targets "show how well managed they are," said John Hatherly, the head of research at M&G Investment Management. "The change has been phenomenal" from the 1980s, when sliding oil prices and a high debt load forced BP to make major staff cuts.

Shares of BP rose 34.5 pence in London, to close at 912 pence (\$15.14). Last year, the company had net income before exceptional items of \$4.6 billion.

BP executives said the company would continue to cut costs and invest in new oil projects to increase oil production despite the slump in prices.

Benchmark crude oil closed at \$13.71 a barrel in London on Tuesday, down from \$21.75 in October.

BP said that it had produced 2.7 billion barrels of oil in the last five years and that output would rise by 25 percent in the next five.

John Browne, the BP chief executive, said low prices were "not a crisis" and that the company expected the benchmark Brent crude oil price to average \$16 a barrel into the new year.

The briefing also included plans to raise the debt-to-capital ratio to 30 percent from about 23 percent. Debt is currently at about \$6.9 billion.

(Bloomberg, Reuters)

Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40
5400	6200	4200
5500	5900	3900
4700	5800	3600
4500	5300	3300
4000	5000	3000
3500	4700	2700
1997	1997	1997
1998	1998	1998
1999	1999	1999
2000	2000	2000
2001	2001	2001
2002	2002	2002
2003	2003	2003
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2030	2030	2030

Thorn Attracts Takeover Suitors As It Offers to Sell U.S. Unit

Compiled by The Staff From Dispatches

LONDON — Thorn PLC said Tuesday that its efforts to sell its stores in the United States had attracted a suitor who might try to buy the whole company, and the company's shares rose 38 percent.

Thorn, which operates stores that rent appliances that become the property of customers after a specified number of payments, would not comment on potential bidders and said negotiations were "at a very early stage."

Analysts said potential suitors included a U.S. rival, Renters Choice Inc. Thorn's shares surged to close at 221.5 pence (\$3.68), up 60.5 percent. Thorn confirmed that it was trying to sell its U.S. operations, which include 1,400 stores.

The company did not say whether it would delay a review of offers for its U.S. business in light of the potential bid for the company. Thorn said it would announce the conclusion of the review no later than May 27, when it will post its earnings.

Thorn, which fell on tough times after splitting from EMI Group PLC, its partner in the music industry, in 1996, warned in February that a decline in its rental revenue base together with the continued strength of the pound would hit its 1997-98 profit.

Thorn's stores in America operate under the names Rent-A-Center, REMCO and U-Can-Rent. The U.S. operations are Thorn's biggest business, followed by its stores in Britain.

Rodney Forrest, an analyst at Credit Lyonnais Securities, said a U.S. purchaser seemed likely because Thorn was marketing its U.S. operations.

Thorn said it decided to put its U.S. stores on the market after executives began an internal review of the company's strategy in November, when they said they believed Thorn's shares were undervalued.

Thorn said it expected to make a further statement on its strategy by late May.

(AP, Reuters)

Environmentalists Set Back at WTO

New York Times Service

WASHINGTON — In a decision that could undercut the use of trade sanctions to promote global environmental goals, the World Trade Organization has ruled that the United States was wrong to prohibit shrimp imports from countries that failed to protect sea turtles from being killed by shrimp boats.

The decision Monday by a three-member panel in Geneva was the latest sign that when free trade conflicts with environmental protection, the international trade body is unlikely to swerve from its central mission of promoting trade.

The United States requires shrimpers in its waters to equip nets with metal grills that keep out large animals, and in 1989 Congress passed a law prohibiting shrimp imports from countries that did not require these devices in their fleets.

Plan for Tokyo

changed dramatically by allowing corporations as well as individuals to file antitrust actions. As a result of this change, the antitrust laws, as would be expected, have been used more frequently in the past few years.

To ensure that Japan's antitrust laws are being enforced, the Federal Trade Commission (FTC) has been monitoring the situation. The FTC has been particularly concerned about the possibility of a "cartel" in the Japanese market for hand-rolled tobacco.

Imperial, which owns Britain's market-leading Golden Virginia brand of hand-rolling tobacco, will acquire the Drum and Van Nelle brands and raise its share of the worldwide hand-rolled market from 5 percent to 32 percent, Gareth Davies, Imperial chief executive, said.

Sara Lee, meanwhile, leaves a business that is under regulatory pressure to focus on products such as cakes and Champion sportswear.

"Sara Lee has been looking to get out for a while, and it's a very good fit for Imperial," said Jonathan Fell, an analyst at Merrill Lynch. Hand-rolling tobacco, he said, "is an area where they already have expertise."

Imperial will not buy Douwe Egberts' small U.S. unit, which makes up less than 3 percent of its sales, and Sara Lee said it would close that unit by July 1. Imperial is to pay Sara Lee an initial \$370 million in cash, followed by annual payments totaling about \$710 million.

WORLD STOCK MARKETS

Tuesday, April 7

Prices in local currencies

High Low Close Prev.

Amsterdam

ABN-AMRO 54.60 51.80 52.80 51.40

Alcoa 26.40 26.10 26.10 26.10

Alstom 18.10 18.10 18.10 18.10

ASR 18.10 18.10 18.10 18.10

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- The Associated Press.

**Where Is Peregrin
In the Same Limbo**

LEADER: P.

LES: Banking Moves

Schlumberger

Schlumberger

ASIA/PACIFIC

Taiwan Asks China to Join Economic-Stability Drive

By Thomas Crampton
International Herald Tribune

TAIPEI — For the first time since the beginning of the Asian financial crisis last summer, Taiwan called Tuesday on rival authorities in Beijing to join it in helping to restore economic stability to the region.

In Beijing, the authorities immediately rejected the unusual overture from Taiwan's president and prime minister.

"I would like to use the opportunity to propose both sides of the strait to jointly invite Southeast Asian countries to discuss how to stabilize the region's financial situation and promote regional economic growth," Prime Minister Vincent Siew said in Parliament. His remarks were also broadcast on state radio.

He added that the two sides could meet to "try to find a solution."

President Lee Teng-hui echoed Mr. Siew's comments, telling a U.S. congressional delegation that his government would ask Beijing to

join efforts to tackle the regional economic crisis, Agence France-Presse reported.

"Concrete measures have been carried out" as the island bids to display its "unshakable responsibility" as a member of the Asia-

Taipei proposed that it and Beijing host talks with Southeast Asian nations on promoting regional financial stability and economic growth. Beijing quickly rejected the unusual overture.

Pacific region, he said.

But in Beijing, a Foreign Ministry spokesman, Zhu Bangzao, said, "Taiwan authorities have no right to participate in something that has to be done by sovereign states."

China considers Taiwan a renegade province and has repeatedly opposed the island's efforts to assist the crisis-plagued economies of Southeast Asia.

As the economic crisis rolled across Asia last year, devaluing cur-

rencies and prompting Thailand, South Korea and Indonesia to seek assistance from the International Monetary Fund, Taiwan has come through relatively unscathed.

The Taiwan dollar, a tightly controlled currency, has fallen by a small

fraction of the amount that many other regional currencies have lost, and Taipei has one of the world's largest foreign-reserve holdings.

Delegations of Taiwan business executives have been offered various incentives — including low-cost loans and technical assistance — to encourage them to scour the region for investments as part of the government's "look south" policy.

Late last year, Taiwan offered a

billion-dollar donation to kick off a regional fund to aid Southeast Asian economies, an idea that was dropped because of Beijing's objection.

Meanwhile, leaders of Malaysia, Singapore, Thailand and the Philippines, none of whom officially recognize Taiwan's sovereignty, have sided up to Taipei officials despite warnings from China.

China has denounced Taiwan for what it describes as an effort to exploit the region's economic misfortune to gain political ground.

It has said that while it does not object to the development of non-governmental economic relations, Taiwan should provide no official assistance.

Taipei and Beijing have mounted rival claims that they represent China ever since Communist troops forced Nationalists to retreat to Taiwan at the end of a civil war in 1949.

Both sides agree on the principle of reunification, but negotiations have been slow and were broken off for more than two years after Pres-

ident Lee made a visit to the United States in 1995.

Since last November, relations have been warming, with an exchange of faxed messages on negotiations now taking place on an almost weekly basis.

In his speech, Mr. Siew repeated Taipei's call for the reunification of China "under the principles of democracy, freedom and equitable distribution of wealth."

"We understand the bid could take an indefinite period of time, and despite political diversity in the process there is still room for cooperation in the international community," Mr. Siew said.

Despite the relative strength of Taiwan's economy, the central bank has recently begun pressing foreign banks not to engage in speculation against the Taiwanese currency or even make public predictions of where the currency's future value.

On Tuesday, the central bank said it was investigating irregularities in Citibank's foreign-exchange operations over the past few months.

Where Is Peregrine's Lee? In the Same Limbo as Asia

Bloomberg News

HONG KONG — Three days before Christmas, Andre Lee sold his mint-green home overlooking the South China Sea, a \$6.5 million property that the 34-year-old bond trader bought when he was earning almost three times as much in bonuses alone.

Three weeks later, Peregrine Investments Holdings Ltd., which the Korean-Canadian helped build into a powerhouse in Asian bonds, collapsed after its trades went wrong, and Andre Lee, the man at the center of it all, virtually disappeared.

Where is Mr. Lee now? Still in Hong Kong, in a more expensive home half the size, and still looking for his next trade. Few former colleagues report having heard from the man whose fixed-income department many insiders blamed for Peregrine's failure.

Did Mr. Lee know on that gray Monday when he sold his home that Peregrine was already mortally wounded, that its high-flying days were almost over? He won't say. Mr. Lee has not returned telephone calls from Hong Kong-based reporters since Peregrine failed.

As much as anything, Mr. Lee's story is Asia's story, a tale of bankers, company executives and entire coun-

tries undone by the lure of easy money. Peregrine and others kept lending to Asian companies right up until Thailand, Indonesia and South Korea admitted last year that they were broke and called in the International Monetary Fund. Then the bottom fell out of Asian stock and currency markets. When the Indonesian currency collapsed, it eventually took Peregrine with it because of loans that Peregrine's hard-charging bond department had authorized.

Few bankers — at Peregrine or other companies — saw the crisis coming. Hong Kong land records show that a company of which Mr. Lee himself is a director bought the apartment where he now lives for \$7.5 million Hong Kong dollars (\$7.4 million) last July, when property prices were near record highs and Asian currencies had just begun to slide. Since then, home prices here tumbled by about a third. Apartments the same size as Mr. Lee's in the development where he now lives sold last month for 36.8 million dollars and 39.88 million dollars, according to a real-estate agent at First Pacific Davies Ltd.

In his only public comment since the collapse, Mr. Lee said it was "ridiculous" to blame Peregrine's

Airlines in Asia Face Dim Outlook

Reuters

MELBOURNE — Standard & Poor's Corp. issued a bleak forecast for Asian airlines Tuesday and said traffic was unlikely to recover for at least two years. Duncan Warwick-Champion, associate director of S&P, said passenger traffic in the region had fallen heavily but said a recovery was still distant.

"I really think that we are going to continue to see these sort of conditions going right through until the year 2000," he said. "The projections I am putting in place are not showing any significant increase in passenger numbers coming through this region."

Mr. Warwick-Champion said in a recent article that small airlines with narrow passenger bases and high gearing ratios, such as Korean Airlines and Asiana Inc., would find the market difficult.

Mr. Lee's story is Asia's story, a tale of bankers, company executives and entire countries undone by the lure of easy money. Peregrine and others kept lending to Asian companies right up until Thailand, Indonesia and South Korea admitted last year that they were broke and called in the International Monetary Fund. Then the bottom fell out of Asian stock and currency markets. When the Indonesian currency collapsed, it eventually took Peregrine with it because of loans that Peregrine's hard-charging bond department had authorized.

South Korea Considers Moves To Lure Capital From Abroad

Compiled by Our Staff From Dispatches

SEOUL — South Korea is considering new ways to lure foreign investment and shore up its export drive to limit the damage from the plummeting Japanese yen and to prepare for a possible Chinese currency devaluation.

Finance Minister Lee Kyu Sung is set to lead a meeting Wednesday of government officials and advisers on attracting foreign capital. Tax breaks and ways to simplify investment procedures are expected to be at the top of the agenda.

The move comes as South Korea's biggest exporters, including Hyundai Motor Co. and Daewoo Electronics Co., say their export targets could prove harder to meet as Japanese rivals benefit from the ability to reduce prices in foreign markets as the yen drops against the dollar and other major currencies.

In Tokyo trading Tuesday, the dollar slipped to 134.20 yen from 135.05 yen on Monday, but many analysts say the dollar is headed toward 140 yen and beyond.

"It's going to be a real problem for us if the yen reaches 140," said Chung Je Hyun, a spokesman at Daewoo Electronics Co.

News that the government would act to shore up exporters helped the

benchmark Korea Composite stock index rally 5.4 percent, to close at 459.58 Tuesday.

The won has strengthened 14.1 percent against the yen this year, but it is still down by a third against the Japanese currency over the past 12 months. The won tumbled toward the end of 1997 as Seoul's own financial crisis deepened, leading to a record \$60 billion bailout arranged by the International Monetary Fund.

In 1997, South Korea and Japan shared 24 items among their respective top 50 exports, led by semiconductors, cars and ships. For Korea, exports of these items totaled 42.2 percent of all exports.

Separately, South Korea delayed until Wednesday in New York the pricing of its first issue of sovereign bonds, a Finance Ministry official said Tuesday.

"We decided to delay the pricing date by one day as there were a lot of questions, including concerns about the recent weakening yen from some investors," the official said.

South Korea has registered with the U.S. Securities and Exchange Commission to sell up to \$5 billion in bonds. It was widely expected to sell \$3 billion worth of bonds.

(Bloomberg, Reuters)

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
13000	2000	17000
12000	1800	16000
11000	1600	15000
10000	1400	14000
9000	1200	13000
8000	1000	12000
7000	800	11000
6000	600	10000
5000	400	9000
4000	200	8000
3000	100	7000
2000	0	6000
1000	0	5000
0	0	4000

Very briefly:

- Whirlpool Corp. will buy an additional 15.6 percent stake in its Indian manufacturing unit for 206.5 million rupees (\$5.23 million), raising Whirlpool's stake in the unit to 71.42 percent. Whirlpool will buy the shares from Jamshed Desai, Whirlpool of India's chairman.
- Thailand's cabinet approved a budget of 800 billion baht (\$19.56 billion) for the year ending in September 1999, based on growth in gross domestic product of 1.8 percent.
- Vietnam's prime minister, Phan Van Khai, denied he had set a ceiling on rice exports to guard against food shortages caused by drought and said the country was on course to achieve its export target for 1998.
- The Bank of Japan's deputy governor, Yutaka Yamaguchi, said there was a need to be concerned about falling prices in Japan. Answering questions in Parliament, Mr. Yamaguchi said the central bank had little room to try to lead short-term interest rates any lower.
- The Japan Center for International Finance, a group backed by private Japanese financial companies, will assess the credibility of eight credit-rating concerns, including Moody's Investors Service Inc. and Standard & Poor's Corp. of the United States. Moody's cut its outlook on Japan's sovereign debt to negative Friday. (Bloomberg, AFP, Reuters, AP)

Change of Guard at Broken Hill

SYDNEY — Broken Hill Proprietary Co. said Tuesday it had appointed its chief operating officer, Ron McNeilly, to run its day-to-day operations, officially ending the reign of its former chief executive, John Prescott.

Mr. Prescott's resignation from Australia's largest resources company was announced March 4, when he took the blame for falling profit and a plunging share price. He agreed to stay on during an international search for a successor.

LEADERS: The Co-Chiefs of Citigroup Have Contrasting Styles

Continued from Page 11

as soon as practical, they would have side-by-side offices in the Citicorp tower and that they have not — and do not plan to — divvy up responsibilities.

So far, the two have indeed been sharing the big responsibilities. When they called Alan Greenspan, the Federal Reserve Board chairman, about 10 days ago, they did so on a conference call in which they characterized Mr. Greenspan's response as "positive." When they called President Bill Clinton on Monday, they seemed amazed he took the call. After telling him of their plans, they talked about his trip to Africa, Mr. Weill said.

A few Wall Street watchers suspect that this particular marriage may ultimately end in divorce.

"This will never work," said one,

who asked not to be identified.

Mr. Weill had a very good year last year taking home \$220 million in salary, bonus and stock options exercised. Beside him, Mr. Reed seems grossly underpaid, having made only \$4 million in salary and bonus last year because Citicorp's stock did not perform as well as expected.

The two already have saved the combined company a bit of money by brokering the deal themselves and avoiding the \$100 million they would have paid if investment bankers had been involved.

Both seem to be ambitious enough to rule just about any entity they could imagine, and each has nearly fallen off the ladder at times in their climb to the top.

Mr. Weill started out as a lowly messenger for Bear Stearns Cos. after graduating from Cornell University. He borrowed \$200,000 to form the firm of

Carter, Berlind, Potoma & Weill. But early on, he had a dream of creating the world's largest financial-services firm.

His career really took off at the helm of Shearson, which acquired several brokerage firms in the '70s and '80s. Mr. Weill stumbled when he sold Shearson to American Express Co., leaving in 1985 because he did not want to share power with the chief executive at the time, James Robinson. He later took over the running of Travelers.

Mr. Reed, a graduate of the Massachusetts Institute of Technology's Sloan School of Management, started out in the back room of Citicorp, only to take over at a fresh-faced 45 from the legendary banker Walter Wriston. In the late 1980s, he, too, staggered. Citicorp was awash in bad real estate loans, and there was even talk it might fail. But he recovered, bringing the bank back to profitability.

RULES: Banking Merger Puts Pressure on U.S. to Change Laws

Continued from Page 11

The divisions were intended to limit risk, but the distinctions are breaking down. Alan Greenspan, the Fed chairman, told a House commerce subcommittee meeting last year, that "technology has already eroded many of the previous distinctions between banking and nonbank finance, thereby supporting the desirability, if not the necessity, of permitting the merging of all financial activities." The same forces, he added, also "are in the process of blurring the boundaries between financial and nonfinancial businesses."

On another occasion last year, Mr. Greenspan signaled strongly that the Fed was not likely, in principle, to have any objection to the Citicorp-Travelers merger.

"There are real potential benefits to consumers of one-stop shopping for loans, deposits, money-market accounts, securities and insurance," Mr. Greenspan said.

Mr. Leach said, "This merger underscores the need for prompt congressional action on financial-services modernization legislation to assure that America's competitive position abroad is enhanced, with proper functional regulation at home."

Alfonse D'Amato, Republican of New York and Mr. Leach's Senate counterpart, sounded his approval of the merger, too. "People want improved financial services and the best products," he said.

The reason for finding financial services so rigidly was the concern that a bank's deposits might be tapped to help a failing affiliate, possibly bringing down the bank, too.

speaking for the Fed board. "It is only artificial and outdated restrictions that stand in the way of lower cost and convenient delivery systems for our citizens."

The Fed's support for breaking down the financial services barriers can be seen best in the process it began in the late 1980s, when it first allowed banks to be affiliated with securities dealers, including new subsidiaries, so long as the firms were not "principally" engaged in the broker-dealer business — that is, in the business of underwriting and selling stocks, municipal bonds and the like.

Major firms that deal primarily in Treasury secu-

rities, for example, but had a small broker-dealer operation as well, could be affiliated with a bank, the Fed reasoned. At first only 5 percent of the firm's revenue could come from its broker-dealer operations. Later that was raised to 10 percent and at the end of 1996 to 25 percent.

Even with the added pressure from the merger, it is far from certain that a financial reform bill will pass, particularly this year. Many smaller banks are still bitterly opposed to opening the door to any additional competition from any source, and bankers from those institutions have the ears of many members of Congress.

FMG MIR SICAV

Société d'investissement à Capital Variable
10A, Boulevard Royal, LUXEMBOURG
R.C. Luxembourg B-53.392

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of FMG MIR SICAV will be held at the registered office, 10A, Boulevard Royal, Luxembourg,

on Tuesday April 21, 1998 at 11 a.m.,

for the purpose of considering the following agenda:
1. Management Report of the Directors for the year ended 31st December, 1997.
2. Report of the Statutory Auditor for the year ended 31st December, 1997.
3. Approval of the Annual Accounts for the year ended 31st December, 1997 and appropriation of the earnings.
4. Discharge to the Directors in respect of the execution of their mandates.
5. Election of the Directors for a new term of one year.
6. Election of the Statutory Auditor for a new term of one year.
7. Miscellaneous.

The present notice and a form of proxy have been sent to all registered shareholders on record at March 26, 1998.

In order to attend the meeting, the owners of bearer shares are required to deposit their shares before April 14, 1998 at the Registered Office of the Company where proxy forms are available.

The registered shareholders have to inform by mail (letter or proxy form), the Board of Directors of their intention to assist at the meeting before April 14, 1998.

By order of the Board of Directors

ADVERTISEMENT

Schlumberger

The undersigned announces that on 20 April, 1998 at Kar-Academie, 172, Spuisstraat 172, Amsterdam, the Certificate Schlumberger Limited rep. 5 shares of common stock of US\$ 0.01 per share, will be payable with 5 shares of 2.00 net per Certificate and 5 shares of 100.00 net per Certificate and with 100.00 net per share. The 1992/93 US\$ 0.18/5 per share. The dividend distribution is not subject to dividend distribution at source.

ARTESIA
ADMINISTRATIEFANTOOR B.V.
(Formerly Partus Administratiekantoor B.V.)
Amsterdam, 3 April, 1998



L'ORÉAL
1997 Results

	FF billions	% Growth 1997/1996
Sales	69.12	+14.5%
Operating profit	8.69	+18.2%
Profit on ordinary activities before taxation and employee profit sharing	7.76	+17.0%
Net profit before capital gains and losses, after minority interests	4.21	+12.8%
Earnings per share	62.21 FF	+12.8%
Cash flow	6.77	+10.3%
Shareholders' equity	30.1	+13.7%
Debt to equity ratio	15.6%	+9.8%

* Net debt over shareholders' equity, minority interests and provisions

BUSINESS BY SECTOR IN 1997

■ COSMETICS ■

Consolidated cosmetics sales rose 14.6% to FF 56.16 billion. Growth was driven by the increased pace of expansion in new markets, stronger positions for our U.S. subsidiary, which is established as the Group's second world centre, and the return to growth in Western Europe. Excluding the impact of exchange rates, cosmetics sales were up 9.3%, outstripping the increase for the world market as in previous years, according to our estimates.

Our U.S. subsidiary confirmed its status as the Group's second centre for creative strategy after Paris, enhancing the international scope of our brands. US sales exceeded US\$ 2 billion. The increase expressed in French francs was nearly 23%. The Group, which currently generates a quarter of its sales in North America, has taken its place among the front-runners in make-up, hair colour and skin care in this zone and worldwide.

In several European countries, particularly in the United Kingdom, sales rose at similar rates to those recorded in new markets. We expanded sales by nearly 8% in Western Europe.

Emerging markets already account for more than 15% of sales. We are continuing to step up our drive into these markets with growth of 27% in Asia excluding Japan, 35% in Latin America and 45% in Eastern Europe. Despite the economic fluctuations experienced by these countries, we firmly believe in their potential for rapid expansion, particularly in Asia, where the Group currently generates less than 6% of its total cosmetics sales.

Our determination to position L'ORÉAL PARIS amongst the world's top brands in the four corners of the world is expressed by the slogan: "L'ORÉAL, because I'm worth it". Globalisation depends on the

competitiveness of our products. We have therefore stepped up our research and development endeavours and have organised our laboratories around the Group's core businesses.

Hand in hand with this international expansion, the Group rounded out its industrial facilities, notably in China, Poland, and Brazil. Value analysis endeavours were also continued during the year.

■ DERMATOLOGY ■

This sector's sales climbed to over FF 1.5 billion, up 52.6% (L'ORÉAL share: 50%). DIFFERIN treatment for mild acne, the first product developed by GALDERMA's research centre, has achieved very significant market share worldwide. The acquisition of the German company, BASOTHERM, has enabled us to establish a strong market presence in this country.

■ PHARMACEUTICALS ■

In 1997, SYNTHÉLABO increased turnover 12.6% to FF 11.74 billion, accounting for 14% of consolidated Group sales. SYNTHÉLABO's core strategy hinges on advanced research in three specialist fields (Central Nervous System, Cardiovascular and Internal Medicine) and on a strong market presence in Europe. The company is developing activities in cardiac pacing, urological devices, generic medicines and OTC products.

DIVIDEND

At the Annual General Meeting, the Board of Directors of L'ORÉAL will propose a net dividend of FF 16 plus tax credit of FF 8, payable on 12 June 1998. This compares with a net dividend of FF 14 paid in 1997, on the same number of shares and investment certificates as last year (67,606,216).

For further financial information, consult your bank, stockbroker or adviser, and your newspaper or internet <http://www.loreal.com>

L'ORÉAL - 41, rue Marivaux - 92117 CLICHY, France Tel: 01 1 70 00 00 00

12 Month			St			100s		
High	Low	Slack	Dir	Vol	PE	High	Low	Latent

[illegible][illegible][illegible]

Year	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

[illegible]

12 Month		Stock	Div	Yld	PE	52s		Low	Latest	Chge
High	Low					High	Low			
52 1/2	28	PittsB wf	.90	1.8	28	4250	51	49 1/2	50	-1/2
42 1/2	28 1/2	PittsBk	.10	3	20	570	39 1/2	37 1/2	37 1/2	-1 1/2
31	15	PittsBurl	.34	1.4	11	1728	17 1/2	17 1/2	17 1/2	-1/2
14 1/2	6 1/2	PittsBAm	.65	7.9	92	149	8 1/2	7 1/2	8 1/2	-1/2

12 Month High	Low	Stock	Div	Yld	PE	52 Week High	Low	Latest	Change
72 1/4	29 1/4	RytCarb	.60	.9	29	48 1/2	71 1/4	67 1/4	69 1/4-1 1/4
115 1/2	55 1/4	RytCar pf	3.62	3.3	—	605	115 1/2	108 3/4	111 1/2-3 1/4
60 1/4	42 1/4	RoyDut S	1.52	2.7	25 17 1/2	57 1/2	56 1/4	56 1/4	—3 1/4
34 1/4	19 1/4	RoyGp p	—	—	—	20 7/8	32 1/4	31 1/4	32 —

12 Month		Stock	Div	Yld	PE	52s		Low	Latest	Chge
High	Low					High	Low			
28 1/4	19 1/4	Southern	Col	1.34	4.9	19	8103	27 1/2	27 1/4	-1/4
77 1/4	36	SNET	Fel	1.76	2.4	24	2403	73 1/2	72 1/2	-1/2
20 1/4	9 1/4	SPacTel		--	7	4744	17 1/4	16 1/4	16 1/4	+5/8
21 1/4	12 1/4	SPetrC	1.16	9	6	393	14 1/4	14 1/4	14 1/4	

12 Month High	Low	Stock	Div	Yld	PE	52 Week High	Low	Latest	Change
32 1/4	18	Territor	.20	5	11	80 1/2	32 1/4	31 3/4	32 3/4 + 1/4
18 3/4	10 1/2	Tesoro	-	-	16	53 1/2	18 1/4	18 1/4	- 1/4
29 1/2	19 3/4	Telco	-	-	24	46 1/2	24 3/4	23 1/4	- 1/4
25 3/4	23	Tecap SA	1.72	7.0	-	19 1/2	24 1/4	24 1/4	-

12 Month		Stock	Div	Yld	PE	52		Low	Latest	Change
High	Low					100s	High			
22 1/2	18 1/4	UnivHR	1.74	8.7	13	348	204	19%	20%	-4%
58 1/4	37 1/4	UnivH	-	-	28	643	57 1/2	56 1/4	56 1/4	-1%
42	16 1/4	Univision	-	-	52	60%	38 1/4	36%	36 1/4	-1%
7 1/4	5 1/4	UnivTel	-	-	29	151	7 1/4	7 1/4	7 1/4	-1%

[illegible]

For information on how to list your fund, fax Easy Hour! at (33-1) 41 43 92 12 or E-mail: funds@iht.com
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WORLD ROUNDUP



Rudy Dhaenens, the former cycling world champion, who died Monday after a car crash.

Dhaenens Dies After Car Crash

Rudy Dhaenens, the former world cycling champion, died Monday of car crash injuries, Belgian media reported Tuesday.

Dhaenens, who would have been 37 Friday, won the world title in Japan in 1990. He quit cycling in 1992 after heart problems.

He had been in a coma since hitting a pole on an exit of the Brussels-Ostend highway on Sunday. Dhaenens, a modest and popular sportsman, had been on his way to Meerbeke, where he was due to compete on the Tour of Flanders race for television.

Tommy Smith, the former Liverpool and England soccer player, was hospitalized in serious condition Tuesday after his car left a highway and flipped over.

Smith, 53, a tough-tackling defender, was a mainstay of the great Liverpool sides of the late 1960s and 1970s. Firefighters had to cut Smith out of the car. He was listed in "serious but stable" condition at Ormskirk Hospital, near Liverpool.

Kirby Puckett, who retired from the Minnesota Twins after glaucoma left him blind in his right eye, returned home following a weekend car crash that hospitalized him with cuts on his arm and head. Puckett was heading home with his father-in-law from a fishing trip when the car rolled over on its roof. Police said no drugs or alcohol were involved and that Puckett's eyesight was not a factor. (AP)

Lipinski May Turn Pro

ICE SKATING Tara Lipinski, the Olympic champion, said she intended to become a professional figure skater.

"Now I'll have four-day weekends and be able to be with my family because they mean so much to me," she said. "I don't want to be 21 and not know my dad."

As a pro, Lipinski, who is 15, would be ineligible for amateur competitions and would need to receive reinstatement as an amateur to skate in the 2002 Olympics. Reinstatement by skating authorities would not pose a problem.

"I realized after Nagano how important it is to me to be with my mom and dad and be all together and have fun and go out to dinner and really be a family again." (AP)

A Young Man Exults, An Old Man Dreams**Wreh's Goal for Arsenal Sinks the Wolves**

By Rob Hughes
International Herald Tribune

LONDON—In the sporting arena, as so often in life, one man's joy is another's heartache.

At 13 minutes past noon Sunday, Christopher Wreh did a double back somersault in the wind and swirling rain after scoring the goal that took Arsenal to the final of the FA Cup. Amid the cheering in the stands, the white-haired figure of Sir Jack Hayward sat rigidly still.

With a single shot as true as a sniper's bullet, young Wreh had become the first refugee from war to score such an im-

through but cleaned out his pockets.

One imagines that scoring goals, hitting them crisply and cleanly and spontaneously with his right foot, is not a problem to a young man—he is 22—who might otherwise have had to fight for survival with a submachine gun.

The cousins had no news from their families for the first three years of Wreh's time in Monaco, but eventually word came that Christopher's seven sisters and nine brothers, as well as their parents, were safe.

It is also safe for him to visit them and to dispense to family and friends some of the wealth that is beginning to come his way from the millionaires' playground of European soccer.

"When I go back, I see the poverty is very bad," he says.

It is not the normal post-match conference: We are talking to an open, engaging, content young player to whom the sport is a release and a way of helping 10 of his brothers and sisters through school, and sponsoring other children, too.

If he is given the chance to lift the cup, Wreh knows that Charles Taylor, Liberia's head of state, will send the presidential plane to bring home the hero. "The previous president, Samuel Doe, loved sport," said Wreh, "and Charles Taylor does, too."

In the euphoria, no one seems to notice how incongruous it might be, laying on the private jet to acclaim an ordinary young man blessed with a quick eye and a gifted shot who once scrambled to catch the last plane out of the country.

There is a parallel here with another man, from an equally troubled country, Haile Gebrselassie. The Ethiopian runner is a world and Olympic champion and has set 12 world records over various distances. Gebrselassie has a similar, quiet, unassuming personality to Wreh. He hails from another large, impoverished family. Tournament promoters give him Mercedes cars. Gebrselassie neither drives nor wishes to.

The pace of Western acclaim is fast and foreign. If Wreh keeps up his scoring, some Hollywood producer will make a film of his life just as, last weekend, it was announced that a million dollar documentary is to be made about Gebrselassie in Los Angeles.

Sir Jack Hayward, his dream postponed, also headed for Los Angeles, returning to the clinic to check that the emotions of sport had done no harm to his heart.

Rob Hughes is sports correspondent of The Times of London.

Real Disputes Crowd Figure

Real Madrid challenged UEFA, the governing body of European soccer, on Tuesday to prove that the club had exceeded the limit for its European Cup semifinal against Borussia Dortmund. Reuters reported from Madrid.

Real, which will appeal Wednesday against UEFA fines totaling 1.3 million Swiss francs (\$851,000), said it sold only 65,948 tickets for the match Wednesday in the Santiago Bernabeu stadium, which has a capacity of 105,000. UEFA said the crowd was up to 20,000 higher because the club had ignored limits on the capacity in the standing area.

"We did not exceed the capacity," said Juan Antonio Sanper, the club lawyer. "We would like UEFA to demonstrate how they calculated that 85,000 people were in the Bernabeu."



Jesper Parnevik of Sweden blasting out of a trap on No. 2 at Augusta National Golf Club during practice Tuesday.

Mastering No. 16 at Augusta Is All

By Dave Anderson
New York Times Service

Jack Nicklaus almost had a hole-in-one there, but Tom Watson once five-putted there.

"I hate to say that green is unfair," Gary Player, a three-time Masters winner, said after four-putting there two years ago, "but that green is unfair."

That 16th green at Augusta National is considered the Masters' most treacherous. In this Sunday's final round, Masters might turn on any hole, but through the years it has often turned on the 16th, a par 3 of 170 yards to a sharply sloping green defended by a serene pond and three gaping bunkers—to the left, the right and the rear.

"It's four different holes," Nicklaus, a six-time Masters winner, said, "depending on where the cup is located."

For a change, Masters officials are considering a different Sunday pin position this year. The cup might be on the lower left of the green rather than where it usually has been, on the upper left, where Nicklaus almost had an ace when he won in 1986. With the cup cut down near the pond, the 16th could produce more splashes than birdies.

After winning last year by a record 12 strokes, Tiger Woods said he did not feel secure until his tee shot on the 16th had cleared the pond on the last of the back nine's five water holes. "You've seen it time and time again, year after year," Woods said. "Guys hit a couple of balls in the water, and there it goes."

In 1990, Raymond Floyd thought he was secure after lagging a long breaking putt to tap-in range for a par at the 16th. Known for his competitive stare, he even smiled. Perhaps too relaxed, he three-putted the 17th and lost to Nick Faldo in a playoff.

"I'd never seen Raymond break his concentration like that," another Masters golfer said later. "Even with a great putt there, the 16th got him."

Its most difficult pin position is usually used in Thursday's opening round—just above a ledge that might as well be a bump on the Olympic men's downhill ski run. That's where Watson five-putted two years ago, then described his adventure as if he were a Minnesota weatherman.

"I went from 60 below," Watson said, meaning 60 feet below the cup. "to 6 above, to 40 below, to 4 above, to 2 below, then I made it from there."

Dozens, if not hundreds, of Masters golfers have four-putted with the cup above that ledge, including Seve Ballesteros, whose explanation should be on a plaque near the green. "Well," he said, "I miss. I miss. I miss. I make."

But with the Masters' green jacket at stake Sunday, nobody has played or putted the 16th better than Nicklaus. Three of his six victories turned there, including 1986 when his 5-iron curled just by the cup and stopped three feet away. Birdie 2. Moments later, Ballesteros chucked a 4-iron into the pond in front of the 15th green; when Nicklaus birdied the 17th hole, he led by a stroke.

In 1975, Nicklaus holed a 40-foot birdie putt as Tom Weiskopf and Johnny Miller watched from the 16th tee. Weiskopf's fat 5-iron left him a 100-foot putt. Bogey 4. With that two-shot swing, Nicklaus led by a stroke.

In 1963, Sam Snead was leading the Masters until he three-putted the 16th from 50 feet. Nicklaus holed a 13-foot birdie putt to grab a one-stroke lead. As the 16th's official description says,

On the Menu: Tiger Cholesterol

By Thomas Bonk
Los Angeles Times Service

AUGUSTA, Georgia—The menu was cheeseburgers, grilled chicken sandwiches, french fries and vanilla and strawberry milk shakes.

"They said you could pick anything you want," said Tiger Woods, the defending champion here.

And so he did. You could check your cholesterol level at the door Tuesday night at the Masters champions dinner, where Woods has come up with the menu.

Normally, the yearly feeding ritual in the clubhouse at the end of Magnolia Lane isn't that big a deal—unless you count 1989, when the defending champion, Sandy Lyle of Scotland, served haggis.

But this year's dinner was different for another reason. What would be on the Woods menu became a topic of discussion once Fuzzy Zoeller made his ill-conceived remark that Woods should avoid ordering "fried chicken collard greens or whatever the hell they serve." Even Zoeller, who earned his green Masters jacket in 1980, was to be on hand to sample it. So were the other former Masters champions who planned to show up, which brings up another issue: Can 96-year-old Gene Sarazen relate to a cheeseburger?

"I don't care too much for that menu," Sarazen said. "Who ever heard of a cheeseburger as a dinner?"

Well, Woods, for one. The basic problem here is that there's a 74-year age difference between Woods and Sarazen. Woods basically doesn't trust any food that can't be eaten in a car.

"Hey, it's part of being young," he said. "I'm sure that's what they are growing up. This is what I grew up eating, and that's what I still am eating. It's what I like to eat."

Other winners have served their favorites. Englishman Nick Faldo ordered fish and chips for last year's dinner. Texan Ben Crenshaw had barbecue in 1996. Spaniard Jose Maria Olazabal had bluefish in garlic, oil and parsley sauce in 1995, and Bernhard Langer had German wedding soup with turkey and stuffing in 1994. Sarazen's favorite remains the 1993 dinner, presented by Fred Couples: chicken cacciatore with spaghetti on the side.

It should be pointed out that dinner guests have the option of ordering off the regular menu at Augusta National, which is what Sarazen intended to do Tuesday night. Sarazen also decided against Lyle's haggis—minced sheep or calf organs mixed with suet, onions and oatmeal, then boiled in the stomach of the animal. "I had lamb chops," Sarazen said.

With the green significantly sloping from right to left, an exacting tee shot is required to have a reasonable birdie opportunity. "But if you miss the green short or left from the tee, your ball is in the water. If you miss the green to the right, your chip shot is in jeopardy of sliding down the slope toward the pond."

With his ball in the back bunker and the cup cut nearby, Billy Casper once tried to putt out of the sand. His ball scooted down the slope into the pond. He had a 7 there that day. In 1950 Herman Barron had an 11 there.

Since the 16th was lengthened in 1947 from its original 120 yards over a little creek, there have been four holes in one—Johnny Dawson in 1949, Clive Clark in 1968, Corey Pavin in 1992 and Raymond Floyd in 1996.

At Augusta National, the 16th hole is much easier when you do not have to putt. As a Masters golfer once grumbled, "They should dynamite that green."

Kings Stop Avalanche's Bid for Title

The Associated Press

The Colorado Avalanche lost its fifth straight game, missing a chance to clinch the Pacific Division title.

"This is an urgent time of our year, and if we don't get our game going, we won't be

NHL Roundup

playing at the end of May," said Keith Jones, a Colorado forward, after the Avalanche lost, 3-1, to the Los Angeles Kings in Denver on Monday.

Stephane Fiset, the Kings goalie, stopped 31 shots to end a personal four game losing streak and gain a career-high 25th victory.

Joe Sakic, the Avalanche star who recently returned from an extended injury, scored his second goal in as many games.

Patrick Roy made 35 saves but lost his fourth straight.

Stars 4, Maple Leafs 2 Dallas, which leads the Central Division, snapped its three-game losing streak against Toronto.



Adam Burt, left, of the Hurricanes and Dmitri Krutich of the Bruins dueling for the puck in a game in Boston.

Joe Nieuwendyk scored twice as Dallas won for only the second time in eight games. The Stars had scored nine goals in their previous seven games.

Hurricanes 3, Bruins 0 In Boston, Trevor Kidd, the Carolina goalie, gained his third consecutive shutout as the Hurricanes continued a late surge for the Eastern Conference's final playoff spot.

Carolina moved within two points of Ottawa, which is in eighth place. Both teams

have seven games left. Nelson Emerson, Sami Kapanen and Gary Roberts scored for the Hurricanes, who won for the 10th time in their last 13 road games.

Canadians 2, Capitals 2 Montreal salvaged a tie in Washington when Sebastien Bordeleau scored his second goal with 9:01 to play.

The Canadians, who out-shot the Capitals, 36-18, played much of the game as if they were on a power play, but Olaf Kolzig made 34 saves on his 28th birthday.

Islanders 3, Lightning 0 In Tampa, Wade Flaherty stopped 26 shots and Zigmond Palffy extended his point streak to six games as the Islanders recorded a team-record third consecutive shutout.

Oilers 3, Canucks 2 In Edmonton, Scott Fraser snapped a tie in the second period as the Oilers beat Vancouver to move into a tie for sixth place in the tight Western Conference. The loss eliminated the Canucks from the playoffs.

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OBSERVER

Hold the Liposuction

By Russell Baker

WASHINGTON — I am watching "Seinfeld" and reading about the new impotence pill. Both are about staying eternally young. What isn't these days?

Remember all that jogging? People who did it are now just as old as they would have been if they hadn't done it. "Some of them might be dead if they hadn't done it," you say.

Sure, and some of them died while they were doing it. Life's a toss of the coin and a question of genes. But if young was meant to be the eternal human condition, medical science would not have invented liposuction.

Liposuction and eye tucks and all such medically engineered schemes for kidding yourself about the date of your first birthday — they remind me of something Jonathan Swift is supposed to have said: Everybody wants to live forever, but nobody wants to grow old.

Have you noticed this about eye tucks? After some tucks, the tuckee looks like the pre-tucked person whose body has been occupied by an alien. "Who are you in there?"

Bear with me. I'm trying to muster courage to speak of the new impotence pill. I am of that musty past when unhealthy repression of utterly tasteless vulgarity made people recoil from talk of such stuff as impotence pills and semen-stained garments.

Call me fuddy-duddy, or whatever the up-to-date synonym may be, but credit me at least with trying — trying, for sweet Heaven's sake! — to speak of impotence pills in a publication of the sort that might once have been read at

breakfast by my mother. Modern cool does not come easily to those who shun eye tucks and shudder with disgust at liposuction.

The great publicity given this latest pill must be dismal news to women struggling to reduce sexual harassment.

Can we doubt that millions of males will line up at pharmacies across the nation seeking libidinal enhancement? And that millions of these libidinally enhanced males will raise the sexual-harassment rate by a terrifying order of magnitude?

Can the pharmaceutical world come up with a pill that women can take to repel the goitish advances of these pill-dosed males, many of whom will doubtless be old codgers eager to revisit spring, hence liable to fatal collapse if vigorously repelled?

These coarse speculations keep encroaching on the delight I take in watching "Seinfeld," and I find myself watching it in an entirely new way. When the show's closing was announced a few months back, people trying to explain its success said it was the perfect show for our age because it was about absolutely nothing.

This makes no sense. For one thing, the present age is not about absolutely nothing; it just seems that way. The present age is not about utterly tasteless vulgarity either; that's just its idea of correct etiquette.

What the present age is about is staying eternally young, and "Seinfeld" is the idea's fullest expression. Jerry and friends, however, are not just staying eternally young. They are doing something far more alluring to our age: They are refusing to grow up.

New York Times Service

All Hail the World's First Self-Service Jazz Club

By Mike Zwerin
International Herald Tribune

NEW YORK — Mitch Borden's cosmic New York comp was when his cousin the musician invited him to hear him play in a club with Ahmad Jamal and it ended up costing Borden and his wife \$60 for two Coca-Colas.

There are often catches with comps — in Las Vegas you lose an awful lot of money gambling before you earn a "complimentary" hotel suite. Borden loved to listen to live jazz music, and discovering that he couldn't even afford to go when he was compe bewitched him. He decided to do something about it.

He's a small guy, easily intimidated in bars and restaurants — the kind of person who never seems to catch the waiter's eye. He figured there must be a lot of people like him. He rented a basement in the West Village, a few blocks south of the Village Vanguard, named it Smalls after a famous Harlem club of yore, and hired good bands that did not have enough name recognition to find work elsewhere.

He charged \$10 at the door. This may not sound all that cheap but that's New York for you. Besides, there's nothing else to pay. Zilch. The rest is free. Help yourself.

This is the world's first self-service jazz club. A coffee machine steams with a welcome smell; there are clean cups and sugar and milk. Pitchers of fruit juice, lemonade, colas, tea, mineral water and so on are continually replenished — by Borden himself. He was so happy to be able to do away with waiters.

Since there's no liquor license there's no need for a barmen. Since there's no booze, there are no drunks. The cost of the soft refreshments was so light that the door charge covered the cost of the music with enough left over for the rent. There was rarely enough for Borden, too. It's better now, but he does not seem to have minded missing paydays — at least he says he didn't. He says it was an honor to have contributed to the music.

Downstairs and downsized, Borden is a one-man band. He pays the bills and he books and pays the musicians; he buys and pours the soft drinks into the pitchers and he washes them later; he sweeps the floor and mops the door. Together with the producer Steve Backer, he negotiated a record contract with Impulse!, which has just now released a CD called "Jazz Underground — Live at Smalls."



The Jason Lindner Big Band, now a regular at Smalls, got its break from Borden.

Featured are the club's regulars, like the Israeli bassist Omer Avital; the pianist Frank Hewitt, and the leader of the resident big band, Jason Lindner. All of them are, or were, overdue for a break. Customers get the feeling that they are lining up the stairs and out into the street to hear tomorrow's stars. A feeling Borden promotes.

"You have to play pretty to gig at Smalls," he says. "You can play 'out,' but you have to get a beautiful tone from your instrument. I've been known to bust up jam sessions that have gotten too far 'out.' I don't like nonsense."

Bands are booked through the end of the year, but when he tells that to eager musicians searching for work, he gets paranoid

looks that make him think of investing in a bulletproof vest.

"This guy is my hero," says a veteran painter who has a studio in a nearby brownstone. "Mitch proves that New York can still run on something other than greed."

Borden grew up in New Jersey. Outside of having been a nurse, he says he has no special experience or talents. Nursing got him in shape for working long and late. He lives around the corner in three little rooms with his wife, two children and a dog. You see him walking the dog and putting up posters at all hours.

Sometimes the only way he can get all the musicians and customers out of there at the end of the night — or early in the morning —

is to turn on the cleaning light and vacuum like mad. "I'll say, Hey, it's morning, it's sunny out. But I don't really mind if they're still there. They keep me company. It's like a happening or something."

He gives the keys to musicians so they can rehearse in the afternoons and never worries: "There's no booze, no cash in the register. There's nothing to steal but orange juice and musicians. Who'd want to steal a musician? I'm in awe of the people who play here — their devotion to music. And it's a good audience. They are solid listeners. They come like they're going to school. They want to learn something. I've got wonderful clientele."

Recording industry people have been coming down for showcases from 6 to 8 in the evenings. There's a buzz about the place. A vibraphone player named Stephan Harris was recently signed to a recording contract after his showcase.

One Saturday night last month a clean-looking college type handed Borden a \$20 bill on the way out, "for me and my wife." On the way out, remember, not in. Borden said: "This is not necessary." The customer replied: "We feel better about it this way."

Borden shrugs, explaining: "If I miss people on the way in, I figure, well, you win some you lose some. I figure these people have earned a free show. They got by me." This statement of permissive-corporate policy is accompanied by a winning enigmatic smile. "Paying so little in the first place, customers feel duty-bound to be on the honor system."

Borden, who is 41, is sitting in the back room between sets listening to a string quartet play classical music on the radio. He plays the viola. "I'm a young buck," he said. "I may look old today but I haven't slept in about a year. If this thing ever folds, I might see if I can get good enough to make money playing the viola. It's a hard instrument and there are not many good players."

Borden asked Mark Thompson, a young composer who was installed in a corner writing notes on a small block of music paper, what was the name of an ornament, not quite a trill, that the string quartet on the radio had just played.

"A mordent," Thompson replied without hesitation. Borden raised a skeptical eyebrow and pulled down a large, tattered encyclopedia from a shelf. He blew a cloud of dust off it and turned some pages.

"That's right," he said. "A mordent."

PEOPLE

SOME of the biggest names in the art world have been fooled by a literary hoax perpetrated by a British author and the veteran British rock star David Bowie, a report said Tuesday. The Independent newspaper reported how last week the glitterati of New York gathered for a launch party of William Boyd's biography of the apparently rediscovered American artist Nat Tate, where they heard Bowie read extracts. This week, the British art world was due to gather at a London restaurant for the British launch of the memoir. British papers have also run extracts from the book. But The Independent said the story of how Tate suffered from depression, burned most of his paintings and then jumped to his death from the Staten Island ferry in New York at age 31 was fiction. Some of the paintings pictured in the book were by Boyd himself, the paper said. The book was released by 21 Publishing, run by Bowie and the British magazine editor Karen Wright, among others. The Independent said, "Will Boyd and I were both aware it was a scam but we never meant it maliciously." Wright said, "Part of it was, we were very amused that people kept saying 'Yes, I've heard of him.' There is a willingness not to appear foolish. Critics are too proud for that."

Argentina shouldn't look for Meredith Brooks anytime soon. The singer told USA Today that she was pelted with everything from rocks to tampons for 45 minutes when she opened for the Rolling Stones last week before 70,000 people in Buenos Aires. "At one point, a big dirt clod hit my guitar and

exploded and went into my left eye. It got black and blue and swollen. I think I went into shock, but I come from the school of 'the show must go on.' I finished my set and then totally broke down." The crowd was apparently antsy to hear the Stones, she said. She tried again the next night, putting on an Argentine soccer jersey and returning to the stage, only to be assaulted again. She threw the shirt on the ground and walked off. Then, sobbing, she told Mick Jagger she was leaving the tour. "Mick put his arms around me and said, 'I'm so sorry.'"

Jimmy Stewart's hometown of Indiana, Pennsylvania, will give the actress Shirley Jones its 1998 Harvey Award, named for Stewart's 1950 film about a man whose best friend is a 6-foot-3 invisible rabbit.

Hedy Lamarr, the famously reclusive screen siren of the 1940s, is suing a Canadian company for using her name and image on its Internet site without her permission. Lamarr, 85, is seeking damages from the Ottawa-based Corel Corp., an office products company, which uses Lamarr's image on its site for graphic-design software.

Dame Judi Dench, winner of the Golden Globe Award and nominated for an Oscar for her performance in "Mrs. Brown," used the occasion of an interview in this week's

Radio Times magazine to announce that it would be her last. "It was better in the old days when the public didn't know so much about actors," said Dench, 63. "One journalist said anyone in the public eye is not entitled to a private life and I couldn't disagree more. We are entitled to a private life, so I'm battenning down."

Bob Keeshan, best known as Captain Kangaroo, has been inducted into the National Association of Broadcasters' Hall of Fame. The six-time Emmy-winning "Captain Kangaroo" ran on CBS for 30 years — the longest-running children's TV show ever, the association said.

Peron Brooch Fetches \$992,500

Reuters

NEW YORK — A brooch made for Eva Peron by Van Cleef and Arpels sold for \$992,500 at Christie's, far exceeding the auction house's highest estimate.

Modeled on the flag of Argentina, the platinum-set piece contains seven baguette-cut diamonds and hundreds of square-cut sapphires and circular-cut diamonds, with yellow diamonds in the flag's central sun motif. Christie's said the brooch, which it had estimated would bring at most \$120,000, was sold to an unidentified telephone bidder.



Meredith Brooks won't be heading to Argentina again.



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